

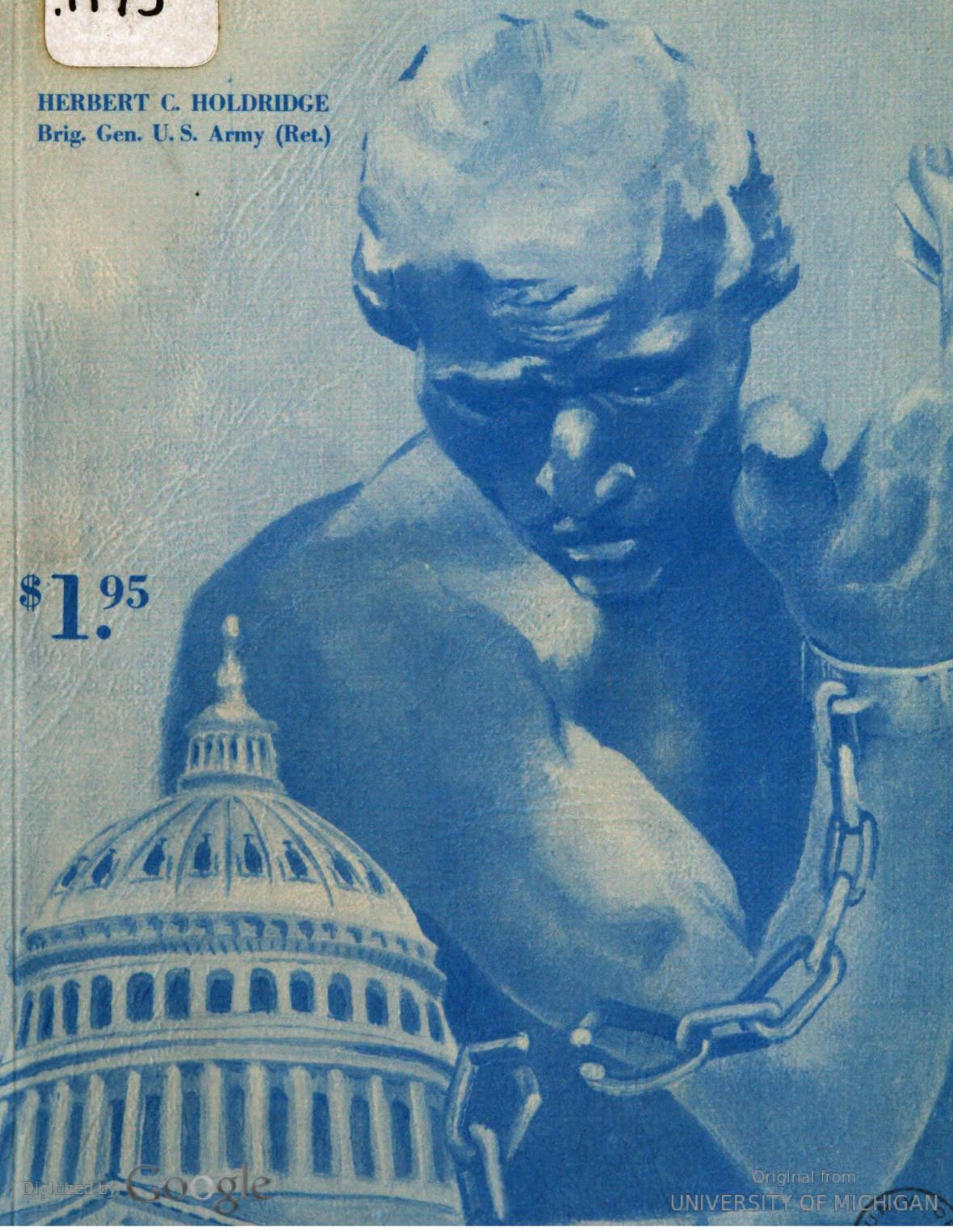
HOW TO GAIN FREEDOM FROM ECONOMIC SLAVERY

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ABOUT THE COVER



Created by: Carl Grainger—Graphic Designer

The figure on the cover is the artist's interpretation of one of the famous Auguste Rodin's statues of "The Burghers of Calais." This statue was based on King Edward of England's military episode in the mid-14th century. Besieging the French town of Calais, he offered to spare it only on condition that six of the leading citizens surrender themselves to him immediately, "bare-headed, barefooted, with ropes about their necks and the keys of the town and castle in their hands." Six complied with the request. According to the chronicler, Froissart, they were freed, according to the records at the Tower of London, they were imprisoned after much intercession for their lives. The figure was incorporated by Carl Grainger with our national symbol. The figure was bound at the wrist by chain. The chain being with broken links conveys esthetically the emancipation of the economic slavery for which this book was written.

OTHER BOOKS BY GENERAL HOLDRIDGE:

Fables of Moronia

Blueprint For Economic Democracy

History of The Holdridge Plan

HOW TO GAIN FREEDOM FROM ECONOMIC SLAVERY

by

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To Hungry Children of the World
Destined to Become Pioneers in the NEW AGE
Of Emancipation and Abundance

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PREFACE

DURING the winter of 1931-32, while the Great Depression was at its worst, I was on duty in Chicago. Most of the banks were closed or closing. The tax payers had gone on strike and public servants were unpaid. A milk strike was in progress, and milk needed for hungry babies was being dumped into the gutters. Unemployment had risen to threatening proportions. Distress was widespread.

One night I attended a meeting of reserve officers in the Loop. After the meeting we discovered that a severe blizzard had blown up, with the snow drifting so deep that it was difficult to force our cars through the snow.

As I turned a corner to head for Michigan Boulevard, I caught a photographic glimpse of a soldier of

W. W. I, wearing his overcoat, standing before his pyramid of apples which he was trying to sell. As I passed he turned his bent back to the bitter wind and drew his overcoat about him. He was literally freezing to death on that cold corner.

The incident distressed me, for I knew that at that time the Army was dusting off its mobilization plans for "Military Aid to the Civil Power," to suppress with gun-fire such men as this veteran if they dared to protest. Particular concern was felt over the problem of the negro areas, where destitution was severe. Plans had gone so far as the possible location of machine guns and squad cars in sensitive districts.

For the first time I was brought face to face with the problem of widespread economic distress in a world of potential abundances. To me, as a practical man with a grounding in the theories of social sciences, it seemed futile to protest against the situation if I did not know the underlying causes, and could present no positive alternatives.

From that time on, in the Army and out, for over 30 years, the problem became an obsession occupying every leisure hour, and even carried into my sleep. As a result of much study and thousands of discussions with economists, administrators, labor leaders, clergymen, and other representative groups in society, as well as with the man in the street, the salient factors as to the underlying causes began to emerge. Knowing the causes, it seemed a simple step to find solutions. It was probably a positive advantage to me that, because of my isolation in the Army, I had never been condi-

tioned to any "ideology," nor had I ever become a member of either "left-wing" nor "right-wing" groups. I approached the problem, as we did in the Army, with a free mind, and without preconceived ideas, and worked out my solutions with the means at hand.

This manuscript is the result. In it I have tried to hold the mirror of truth before the American people-as I had to hold it before my own eyes-to permit them to see themselves and their institutions as they really are today, not as they imagine them to be. Then, provided they have the moral courage to face reality, it should be a simple matter for them, too, to turn to positive solutions.

I have called my solution "THE HOLDRIDGE PLAN," because I believe that it constitutes an original proposal for a structure of democratic administrative control, derived from my own considerable Army administrative experience, but reversing military techniques which function from the top down, to provide democratic control from the bottom up.

My early conditioning as a child, in the warm spirit of patriotism which existed in the United States at the end of the Victorian Age-when we, as children, marched with American flags, not guns, over our shoulders-and my 30 years of conditioning in the military "service," particularly in the mystical concepts contained in the West Point motto: "Duty, Honor, Country," fixed my loyalties to our own traditions and institutions. I consider that I am still under oath to defend the Constitution of the United States against *all* enemies, "right" as well as "left," domestic as well as foreign. I have faith that our Con-

stitution, as necessarily amended to meet a changed world, is adequate to meet all needs.

Today, in the United States and throughout the world, the disastrous conditions of 1931-32, multiplied many times over, again threaten to overwhelm us. Now, as never before, is the need urgent for objective, intelligent thought and action. Failure may mean annihilation of world civilization.

“Come, let us reason together, saith the Lord.” Let us put aside all preconceived ideas, and all violent emotionalism, come to agreement as to the causes of our crisis, and then turn to positive solutions.

This volume is not offered as a final solution, but merely as a starting point for discussion. To the informed mind it may not suggest much that is new, but it may, at least, by presenting the problem from a new perspective, stimulate reanalysis of the problem.

This study is presented, in general, in the form of a military “estimate of the situation”—a process of logical analysis leading to a final conclusion and a solution. This technique is one of the best teachings of the military service, among the many which must be regarded with suspicion.

CHAPTER ONE

General Situation

THE United States is face to face with disaster. This is no emotional exaggeration, but a statement of remorseless fact.

Abroad our political and military fronts have collapsed. Where, a few short years ago, we were the most loved nation in the world, today we are the most hated. It begs the question to accuse those whom we have helped, through Marshall Plan dollars or otherwise, of ingratitude. The whole world cannot be wrong and we, alone, right - everyone out of step but Uncle Sam.

In the West the N.A.T.O. adventure has failed. The Western European nations could not under any conceivable set of conditions, be expected to sustain our foreign policy of international violence, or

accept indefinitely being chained to our economic and political chariot wheel. They know that they are cast for the role of buffer states, as the first line of defense of the United States against Russia in Europe, as was the unhappy fate of Korea in Asia. They have not, and are unlikely to make any significant contributions to the formation of a joint military force. They are looking down Russia's throat, realize that the few heterogeneous divisions they could mobilize would be no match against the Russian missiles, and are aware that they would be thrown into the sea if Russia moved. They have already rejected the proposal to use their countries as bombing bases against Russia, and are acutely conscious of the fact that the H-Bomb is capable of by-passing ground forces, and of destroying their entire civilization. Thus, in the final crisis, *they must reject our leadership* from sheer necessity of survival.

The situation is duplicated in the East, where we have already lost all of Asia psychologically. In Korea we engaged in the most ruthless, brutal, barbaric war in the history of the world, against a defenseless people, slaughtering millions of innocent women and children, and in the process sacrificing hundreds of thousands of our own youth. The war did not end in "stalemate," but in bitter diplomatic and military defeat for the United States. Liquidation of the Korean tragedy eliminates our Asiatic front. The psychological moment has passed for a shift to Indo-China. It can reasonably be predicted that we will be ejected from Asia as Great Britain was from India, and as we shall surely be from Japan and the Philippines. Thus we have suffered a terrific defeat in both "hot" and

“cold” war, and are forced to retreat behind our own frontiers. Asia is for the Asiatics!

Thus our nation of 180 million people stands alone against the armed might of all Asia and much of Europe. And at this critical moment our national front has also disintegrated. Our cities are open to bombing attacks which would destroy the United States in a matter of 24 to 48 hours. *There is no defense* against the weapons of annihilation, as our military leaders and our scientists have warned us repeatedly. With their backs to the wall, our policy makers hear the temptations of the Devil to “shoot the works” and use the H-Bomb. They draw back only because they know full well that retaliation would be swift and annihilation certain.

On the home front we face equally grave and economic problems. The currents of History have turned in the direction of disintegration in every area of our society.

Economically, even in these times of a war-promoted prosperity, millions are destitute in a world of actual and potential abundances. Wealth has accumulated in the hands of a few individuals. Our banking system has been given as a “concession” to a group of national and international bankers who use it to exploit the people. Economic leaders have become true internationalists, and prosper through a vicious system of international cartelism. A deep-seated sense of economic insecurity pervades the land, from the highest to the lowest. The public debt, national and local, has been estimated as one thousand billions of dollars. Since the national wealth has been estimated

as approximately 450 billion dollars, the United States is bankrupt twice over.

Politically, control over public offices has fallen into the hands of political gangsters, who take orders, not from the people who elect them, but from minority pressure groups of great power, primarily from Big Money, and are able to purchase the nomination of the President of the United States with the price of a Cadillac car. The elected representatives of the people fail in their trust, and make democratic procedures a mockery.

The courts, instead of protecting the Constitutional rights of our citizens, rewrite the laws of the land by their decisions, and thus declare the law to be whatever they say it shall be.

In this process of political and judicial disintegration, the civil liberties of the people are subjected to violent attack. Fear stalks the land, fear deliberately engendered by "McCarthyism" and other manifestations of fascism, to check the expression of all liberal thought. Few have the courage to speak, to read, to assemble, even to think. The people cannot appeal to Government, for Government has become an enemy and gives them no protection.

Orthodox religions have generally crystallized into rigid reactionary patterns. The cravings of the people for religious expression causes them to flock to overcrowded churches. They come away, reinflated with the dreamy philosophies of the status quo. They ask for bread and are given stones.

Food and drug monopolies undermine the health

of the people. Our jails and hospitals are overcrowded; our insane asylums are a shameful blot on our national life; "skid rows" and houses of prostitution flourish as never before; gambling is widespread and unchecked, and has become a national menace; smoking and alcoholics have been "glamourized" to pervert the women as well as the men; the use of narcotics grows as insecure individuals attempt to escape from the nightmares of reality.

This is the broad, dismal picture of our national and international situations. A major purpose of Government, according to our constitution, is "to promote the general welfare." No matter where we look, whether abroad to foreign war, or at home to our internal institutions, nowhere is the "general welfare" being promoted by anyone, least of all by those who have sworn to defend the Constitution and who have thus perjured their oaths of office.

It should be possible to generalize as to the reasons why this has happened. If we will look at the problem in broad perspective we will note that much of our modern world, and particularly the United States, is caught in strong currents of rapid historic change, with all visible trends carrying us toward chaos. The same thing has happened in earlier civilizations - with Noah at the time of the Flood; with Lot at the time of Sodom and Gomorrah; in Egypt, Babylonia, Persia, Greece, Carthage, Rome.

No illustration can be recalled where such tides of destruction, once they gained momentum, were ever brought under control, and the forces reversed in direction. The present national and world crises have

been explained by metaphysical movements as the destruction of an old era and the beginning of a new. Jehovah's Witnesses consider that it is the time of trouble predicted in the Book of Revelations of the Bible. Many ancient prophecies deal with this historic era, few of them giving hope that we may easily escape from growing chaos. Regardless of our opinions on these prophecies, the fact remains that we, the American people - all of us - are caught in a situation of grave danger like flies caught on sticky fly paper, and seemingly find it impossible to free ourselves.

As practical individuals, unbound by prophecy, we are faced with a practical problem; to reverse the present historical momentum toward disaster, to lay the foundations for a new age of accomplishment, and to start a momentum in the opposite direction - before it is too late.

Where, in all this broad, beautiful land, can we find any external force or organization capable of accomplishing this urgent task? The answer is, nowhere! We move rapidly along the road of internal and world violence. The only hope of escape would be through an aroused people, but where are we to find another Jonah to travel to Nineveh and call an entire people to repentance? How could such a Jonah gain access to the means of communication - the radio, television, newspapers - to carry his message to the people?

In 1933 the same forces of the status quo were behind Roosevelt as are present today in greater arrogance. In the hour of that crisis, frightened out of their wits, they ran up the white flag of surrender, and

appealed to Roosevelt to save them. He had no solution for the causes of impending disaster, treated only the symptoms, restored the forces of greed to power, and finally escaped from his dilemma through World War II without having solved anything.

That same problem is still before us. Another crisis, more severe, already begins to overwhelm us. Our last hope is to work rapidly to analyze the fundamental causes and to find a sound practical solution to correct those causes at their source. We commence by re-analyzing the causes.

CHAPTER TWO

What Is Our Mission?

The first element in a military "estimate of the situation" is to determine the *mission* - the *purpose* - of any plan of action. Before we can understand the causes of our crisis we must understand the national *purposes* which have been obstructed.

We take it for granted that the United States of America, a great world state, bases its policies on some clearly-defined *mission*. If we examine the matter more closely, however, we find that if there is such a stated purpose it is lost in obscurity. The policies now being followed are in direct violation of any reasonable human purpose, and no techniques, or even desire, exist for restating national purposes for the benefit of all the people.

What is our legal, clearly-defined *mission* as a

people? We find our purposes beautifully stated in our Declaration of Independence, and in the Preamble and the Bill of Rights of our Constitution. The administrative and executive agencies established by the Constitution have value only as they implement these objectives.

Our Declaration of Independence establishes, among other things, that governments are established with the consent of the governed; that men are created equal (we may assume certainly with right of equality of opportunity); that men are endowed by their Creator with certain "unalienable" rights, among them being Life, Liberty, and the Pursuit of Happiness.

The Preamble to the Constitution provides, among other things, that a major purpose of government is "to promote the general welfare." It goes without saying that such an objective must be economic as well as political.

The Bill of Rights of the Constitution guarantees, among other things, freedom of worship (along with separation of Church and State), of speech, of press, of assembly, of the right to petition for a redress of grievances, of freedom from unlawful searches and seizures, guarantee against being held for crime without indictment, against double jeopardy, against being deprived of life, liberty and property without "due process" of law, right to speedy trial, protection against excessive bails and fines, against cruel and unusual forms of punishment.

It would seem almost a childish waste of time to recount these purposes, except for the fact that our

citizens are too frightened even to admit that they are familiar with them.

Apart from these written instruments declaring our national purposes, surely we should include aspirations rooted in the hearts of the people - for national unity, good will, cooperation and brotherhood. Because warfare among the great powers must lead inevitably to the use of the H-Bomb and other weapons of annihilation, and because the use of such weapons spells the doom of civilization and must result in the murder of hundreds of millions of people all over the world. The law of self-preservation dictates that a major, compelling purpose of the United States and of the world, is to bring peace and the total elimination of armaments among nations.

If we wish to carry the purposes one step higher, we may include a basic philosophy accepted by enlightened people all over the world, and repeated in the Sermon on the Mount: "love thy neighbor as thyself," "do unto others as you would that they should do unto you." These express laws of human relationships from which we depart at our peril, for by the invariable law of cause and effect, failure to apply these principles brings inevitable retribution.

If these purposes constitute a road map for our forward movement, we must realize, if we will survey the terrain on which we stand, that we are hopelessly lost. Few of the landmarks marked on the map are visible in the gathering dusk. We find ourselves in a wilderness, trapped in the pocket of a dry gulch, with the forces of violence and disintegration howling about us and creeping nearer in the darkness.

The principles written into the Declaration of Independence have suddenly become so "subversive" that American citizens dare not admit that they support them. The inspired men who wrote them would, if they were living today, be imprisoned as traitors who would overthrow our government by force and violence.

The freedoms guaranteed under the Bill of Rights are flagrantly disregarded and openly subverted by elected representatives and agencies of government, and by the courts established to maintain them.

The purpose "to promote the general welfare" has become a dead letter, for under our competitive economy it is "every man for himself and the Devil take the hindmost," the national economy is diverted and exploited to promote the selfish interests of a small minority, and government has become the instrument of pressure groups, and the enemy of the people.

National unity of purpose has given way to widespread disunity, which strikes across every social and economic institution. Good-will, cooperation, and spirit of brotherhood emerge timidly and only for a moment at Christmas. Peace is regarded as a calamity, and to be avoided at all cost.

Instead of advancing a principle of love by man of his fellow-man, the most powerful forces in our society are embarked upon a systematic program of distilling and disseminating hatred, nationally and internationally.

We find demonstrated the principle stated by Ouspensky ("In Search of the Miraculous"), that forces given an impetus in one direction will, if additional

power in the same direction is not applied periodically, turn back upon themselves and become their own opposites. So our national purposes have, in operation, turned back upon themselves and have become their opposites.

If we can agree that we have lost our bearings, then as intelligent travellers, we must return to the cross-roads where we took the wrong turn, refuel with another tank-ful of the same basic principles, regain our bearings, and start over again with greater power and in the right direction. It does no good to bemoan the growing darkness, or the lack of headlights, or the lost distance. We have got off the road and are lost in the wilderness. *We must go back to our starting point. BACK TO THE CONSTITUTION!*

CHAPTER THREE

THE ENEMY

Part 1 - The System

The second element in our "estimate of the situation" is to consider the "ENEMY" to determine who, or what, he is, his strength and dispositions and his possible courses of action against us. This discussion divides itself into two phases, the first an analysis of economic changes during the past hundred years, and the second an analysis of the forces which have exploited the economic situation to maintain the "status quo" and thus retain their power.

Let us consider the first. Let us take a long look into the rear-vision mirror, back along the road we have travelled, to identify this economic situation - *this system* - and learn as much about it as we can in a few moments.

We have come a long way since the United States was first founded. The scenery has changed in an astonishing manner. We have travelled from the days of the ox cart to the strato-liner, from the wheel-barrow to atomic power. Now our children dream of rocket ships to the Moon. We have witnessed, during the last few generations, the great revolution of *power*, but have been so deeply involved in events that we have not had time to assess its significance. More important - we have become so enamoured of the results of the new age of power that we have neglected to keep our social controls abreast of the revolutions in science and technology.

From the perspective of time it is now possible to see that two powerful forces have contended to shape the history of the United States. The first is the legal political democracy established under our Constitution. The second is an *economic absolutism* whose beginnings were laid in the Industrial Revolution which was born soon after our government was founded.

Our Revolutionary War, which established democracy in the new world, was more than a political revolution separating us from England. It was revolutionary because it restored the concept of democracy - of the rights of the individual as against the rights of states or organized minorities. This concept had lain dormant for centuries. They provided administrative machinery to give practical form to the intangibles of democratic concepts. This revolution lighted a flame for a new world of freedom of significance to the individual not only in the United States but throughout the world.

The special characteristics of the form of democratic machinery established under our Constitution must be understood, for they lie at the foundations of our economic crisis. Note that under our Constitution we established a *political, decentralized, territorial, Republic* functioning through representative, democratic techniques. Democratic management of the national economy was not provided for and not even considered. There was no urgent need to do so. We were an agricultural, pioneering nation, in which each community was largely self-sustaining, and no centralized economic coordination was necessary or desirable. The three-way division of governmental powers into legislative, executive and judicial was adequate under existing conditions. Nevertheless, a power vacuum was created which must later be filled. As our nation expanded from coast to coast, replicas of the federal political structure were established in state after state, until we reached the end of our geographic frontiers. This *political democracy* is the first dominating force to be understood in our analysis of our economic history. It is to this form of democratic structure to which our people give their allegiance.

The second force to be considered is the *economic*. This force began to emerge soon after the birth of the Industrial Revolution. When the era of power first took form, a major issue was presented to the peoples of Western Europe and of the United States. Had ownership over *power* come into the hands of the people, and had it been controlled through an extension of democratic machinery, the history of the world would have been much different. Recognizing dimly that technology, drawn into the hands of a special

class, threatened their very existence, the workers reacted violently against the new economy of power, *not* by insisting on sharing in ownership and control, but by trying to destroy the new technology. Thus, the great opportunity was lost, and ownership plus control over technology fell into the hands of a few wealthy individuals who, through control over technology and over the financial system, gained control over our entire economy. This was the first great defeat of the new democracy which was just taking form.

In the United States the growing economic power dogged the footsteps of political democracy, expanded from one coast to the other, and grew as the country grew. It was diametrically opposed to political democracy in every characteristic. It was economic instead of political; non-territorial instead of territorial; centralized instead of decentralized; absolutist instead of democratic. As it expanded it grew more and more powerful, and concentrated the wealth of the country into the hands of fewer and fewer individuals. In the end it developed into an "Invisible Government" which filled the vacuum in democratic economic control left by our Founding Fathers.

A fundamental conflict which could never be reconciled existed from the beginning between the political democracy and the economic oligarchy. The one rested on faith in the common man, the other considered the common man as an industrial tool, to be exploited for the benefit of the oligarchy. The one was based upon the right of men to govern themselves with due regard for the rights of others, the other on a denial of the right of men to govern themselves in the

most important area of their lives - the economic. The one relied upon cooperation between men, organized and unorganized, the other upon competition which was fundamentally anarchistic. The one was pointed toward personal liberty and justice, the other toward the suppression of the individual for the sake of personal gain for the few. The one had loyalties toward the political order which protected its rights, the other had no loyalties except toward its own system of exploitation.

Today the economic order has emerged as an economic absolutism, an oligarchy of the wealthy few. It is a state set within a state - an absolutist economic colossus set within the territorial boundaries of our political state. It is an economic "Invisible Empire" which dominates not only the economic life of the country, but the political as well, for our political leaders - knowingly or unknowingly - inevitably come under the controls of the economic absolutists. In its very nature it violates every principle of democracy upon which our country was founded. As a result, the fruits of political democracy won in our Revolutionary War have been lost to an economic absolutism.

THIS IS THE ENEMY! Let us look upon our enemy and recognize him for what he really is. Let us not make the mistake of minimizing his potential strength.

This is *CAPITALISM!* It is an *ISM* as dogmatic, as sectarian, as totalitarian, as violent as either fascism or communism.

The word "*capitalism*" is a "bad" word, so it comes to us in disguise, dressed in other language. It

is called *management*, or the *American* system of *free enterprise*, because all of these are “good” words, it can be construed as synonymous with democracy, and thus have an emotional, patriotic appeal.

It is not *Management*, because the real managers are the workers at all levels, and not the absentee landlords who have their headquarters in Wall Street.

It is not *American*, because it yields loyalty to no nation, but only to the system of exploitation by which it lives. It sold munitions of war to the Japanese with which they killed American soldiers. It spared German industries during World War II to protect its international investments. It is financial internationalism at its worst.

It is not *Free*, but very, very private, since it is owned by a mere handful of the population. The rest have become the legion of the dispossessed.

It is not *Enterprise*, because it takes little risks of its own, risks only the securities of others, and promptly washes them out once the industry prospers.

It is complete, absolute, totalitarian *Monopolism*.

It is immoral, unChristian, anti-American. It stands as the enemy of every standard of human decency. It is a system of national and world *mammonism* condemned by Jesus of Nazareth. These are historical, proven facts, not emotional allegations.

Capitalism has no official status under the Constitution. It has gained its power through tacit consent, and by being written into legislation by conning politicians.

This is Capitalism's great hour of triumph. Ironically, this is also its great moment of defeat. Capitalism dies in its very moment of victory. Like the proverbial snake whose tail moves until the setting of the sun even though its head is crushed, Capitalism's tail moves, but its head is crushed, and its sun is already sinking below the horizon. The danger is that it may carry us with it to our own destruction.

It is all very simple. We have reached the end of an economic era. "Time Marches ON!" The "status" refuses to remain "quo". The only certainty in the world is continuous change. Our economic system which may have been rational one hundred years ago, is no longer rational today. We have the historic example of France at the end of the Middle Ages. Then the system of agricultural feudalism had come to an end. It was no longer possible to feed the population and pay the overwhelming debt created by Louis XIV in his endless wars, by the system of strip-farming, especially with most of the fertile lands drawn into the monopolistic possession of the nobility and higher clergy, and the increasingly powerful banking class. Because of the refusal of the Bourbons, who "learned nothing and forgot nothing," to adjust to that historic fact, and of their insistence on maintaining the status quo, France erupted into revolution, blood flowed in the streets, and the heads of the Bourbons fell under the guillotine.

A similar situation arose in our South prior to the Civil War. Again an economic system - negro slavery agriculture - had ended in a blind alley, and could not compete with the free labor in the North. The refusal

of the Southern "Bourbons" - the landed aristocracy - to adjust to that accomplished fact lead to the violence of the Civil War.

Our situation today is a dead parallel. Ours is a system of *Industrial Feudalism*, under which control of the national economy rests in the hands of a small aristocracy of industrial and financial feudal overlords, with small business in process of strangulation, with the masses of our population condemned to slow starvation unless rescued by the violence of war, and with the accumulation of war debts so staggering that they can never be paid.

The only alternative to internal collapse offered by the financial oligarchy, spear-headed by conniving politicians, is a temporary expedient; foreign war, which merely intensifies and makes inevitable the ultimate disaster. Unless we act now to meet this crisis, the blood of civil war or revolution will flow in the streets of the United States. Social processes are like dynamite. The harder you pack them down and repress them the greater the final explosion.

CHAPTER FOUR

THE ENEMY

Part 2 - The "Isms"

Further analysis of the "Invisible Government" will reveal that three interrelated power groups - three "ISMS" - stand across the path of those who are committed to constitutional political democracy as they struggle to reestablish political and economic freedom within the United States. A fourth stands apart, awaiting a favorable moment to intervene in the contest. All are founded on centralization of power. None trusts the broad base of the people. This brings our discussion to sensitive issues, but unless we grasp them firmly, as nettles, they may cause us great injury.

These forces are: (1) the Monopolists - "Big Money;" (2) the political arm of the Vatican in Rome;

(3) the Militarists barricaded in the Pentagon; and (4) the American Communists. Let us discuss each briefly.

The Monopolists: The International Cartelists - "Big Money" - have their headquarters in Wall Street and their branches throughout the world. The control of these leaders can be summarized in one word: "*Monopolism.*" They hold a monopoly over the wealth of the nation, and through such control extend their monopoly over the politicians who do their bidding. They hold a monopoly over the "Brass" of our armed services, who have become the hired mercenaries of their system of exploitation; over religions; over education; over our courts; over the press; over our social institutions. Their evil philosophies permeate the blood stream of the country like a poison.

These Monopolists must have war, as their one last, vain hope of survival, to extend their system progressively, over all the world at the point of the bayonet; to use economically backward nations as sources of raw materials and to consume the products of their industries; to permit them to obtain profits through taxes raised to promote international wars, and to bribe foreign nations to follow their "party line." They will not hesitate to turn to warfare at home, as they were prepared to do in 1931-32, to force loyalty to their system.

The instrument by which the leaders of the Money Monopolists - the Cartelists - have usurped the power of the people is unconstitutional monopolistic control over the monetary system of the United States. Under the provisions of the Constitution the coinage of money and the regulation of its value is a function of Con-

gress. From the time of the founding of our government a monetary guerilla warfare has been in progress, undermining this provision, which has finally resulted in placing this function in the hands of the private bankers of the Federal Reserve Banking System. Victory came to the enemy in 1913 when the Federal Reserve Act was passed by Congress, which gave this power over money into the hands of private bankers as a "concession" to use as they might see fit. By this act Congress illegally abdicated its control over money into the hands of a private corporation. This "concession" has developed into the biggest racket in the history of the world, has become, in effect, legalized counterfeiting, and has enabled the Monopolists to enslave the entire American people.

It is clear that the entire Federal Reserve Banking System is unconstitutional. But the effects go much deeper than merely the monetary system. By granting the "Invisible Government" of the Money Power a monopoly over our money, our conniving politicians by the same act granted them a monopoly over our entire economy and over government itself. Baron Rothschild, the originator of this despicable system of financial corruption, stated: "Give me control over the monetary system of a nation and I care not who makes its laws." By abdicating its authority over the monetary system, Congress abdicated the Constitution itself into their hands. This has been a creeping, infiltrating, unpublicized treason against the people of the United States and against the Constitution.

VATICANISM: The second force barring the path to democratic reconstruction is the political arm of

the Roman Catholic Church, centered in the Vatican in Rome.

No criticism is intended of the Catholic worship as such. Since we truly believe in the principles of our Constitution we are bound to uphold the principle of freedom of religious expression. But, as everyone knows, the Vatican presents itself to the world as a temporal state as well as a religious organization. Therefore, we have the right, and the duty, to scrutinize its secular policies as freely as we do those of other secular states.

If we value our free institutions, we must take issue with the Vatican on several counts:

(1) In the "Syllabus of Errors" of Pope Pius IX, every freedom listed in the Bill of Rights of our Constitution is vehemently condemned. This stand is still a fundamental doctrine of the Roman Catholic Church. Therefore, those who have pledged themselves to maintain the Constitution of the United States must resist its stand on these principles in their application within the United States, and must eject the proponents of these subversive philosophies from within our borders. We allege that the Communists are attempting to overthrow our form of government by force and violence, and hound them as "subversives." But here we have it plainly and openly stated that this foreign state is an acknowledged enemy of our American institutions and is openly engaged in overthrowing them, yet we welcome its representatives into our midst and never appreciate the danger.

(2) It is promoting an uncompromising "holy

war" against "Communism," and because of the befuddlement of our political leaders on this issue, and through the machinations of its agents which have infiltrated into public office, into our armed forces, into our political organizations, into our economy, and into our school system, it has managed to hoodwink the American people into using our non-Catholic boys and our non-Catholic tax payers to shed their blood and to pay the bills for the promotion of its unGodly wars. Amazingly, although it owns fabulous wealth in the United States (tax free), it makes no contribution to financing its own wars. Instead, it siphons off vast sums obtained from tax-exempt activities, to finance its own officialdom in Rome.

(3) As it did in Italy under Mussolini and in Germany under Hitler, it is promoting its fascist policies within the United States, under the very noses of non-Catholic political leaders.

(4) It creates intolerable conflicts in loyalty among American Catholic leaders. If they interpret the political presumptions of the Roman Catholic hierarchy strictly, and yield loyalty to them, they cannot, *ipso facto*, be loyal to their oaths of office to the United States.

(5) It has tolerated "McCarthyism," if it has not actively promoted that vicious program which is designed to accomplish the purposes set forth in the Syllabus of Errors - the destruction of our American concepts of freedom.

The full record of the back-stage machinations of the Vatican must be exposed, its agents registered,

and its operations checked in our national and international policies, else the purposes of the government of the United States as written into our Charters of Liberty must perish.

MILITARISM: At the beginning of World War I the Army was an insignificant frontier force. World War I established the pattern of its growing power, for by the time of the Armistice in 1918 it had begun to exercise control over the manpower of the nation, over our educational system, and over our economy.

It has never relinquished that power. World War II established the military firmly in the saddle as a military dictatorship. All roads led to the Pentagon. Members of Congress were, themselves, forced to approach the military with hat in hand. Industry could not move until the Pentagon had spoken. The total manpower of the nation was under the control of a general. The educational system of the country was dependent upon his whim, for he could defer or draft students at will. Organized labor lived under its shadow, for troops stood ready to march - and did so march - if labor failed to toe the mark.

Today the Pentagon is imbedded in the life of the nation. The Korean War extended the authority it had established during World War II. The country is plunged deeper and deeper into bankruptcy to fill its insatiable demands for billions and hundreds of billions of dollars to achieve "security" which evermore vanishes into the distance. It is said that power corrupts and that absolute power corrupts absolutely. The Pentagon is no exception. Our Founding Fathers well knew the dangers of the rise of military power - a knowl-

edge which has seemingly been forgotten.

These three "ISMS" work shoulder to shoulder when their joint vested interests in power are threatened, but always at root there is the certainty that sooner or later there must be a final struggle for power. The Monopolists have as their objective the establishment of the "American Century," under the domination of Wall Street. The Vatican has as its objective a world theocracy dominated by Rome. The Pentagon stands midway between the two, in a strategic position to play both ends against the middle. Without the collaboration of the military "Brass" the freedoms of the American people could never be destroyed. **Theirs becomes the greater treason.**

To complete the count, we must not overlook a fourth "ISM" - Communism.

Here we become involved in a problem of semantics. Unlike the concept of *fascism* which has acquired definite meaning in our minds, no one knows exactly what is meant by "Communism." The three "ISMS" mentioned above would have us believe that *any* philosophy which goes counter to Capitalism is, ipso facto, Communism. The citizen of honesty and intelligence must attempt to reconcile the "communism" of the Apostles of Jesus Christ, the "communism" of Karl Marx, the "communism" of Russia and her satellites, and the "communism" of "left-wingers" in the United States. No common definition has emerged.

The only way to judge an institution is not by its name, but by how it works. Unfortunately, we are faced with another difficulty, for we do not have a

current example of Communism in operation, either in Russia, which calls its system "socialism", or in China which is struggling to consolidate the gains of an agrarian revolution.

Assuming, merely for the sake of discussion, that the system in Russia constitutes our best example of communism in action, we may evaluate it as typical of "communist" objectives.

Whereas Capitalism in the United States constitutes an *economic despotism* contending for power with the remnants of *political democracy*, the Russian system constitutes, substantially, *political absolutism* under the control of an oligarchy of the Communist Party, coupled with a considerable degree of *economic democracy*. In the last resort, of course, both the economic and political structures are under the actual or implied domination of the Communist Party. The result is the domination of the individual by the state, in contrast with the situation in the United States where both the individual *and the state* are dominated by the economic monopolists.

Apart from ideological concept, which we may disregard to the degree that they apply only in Russia, ("on them it looks good!"), we are faced, here at home, with an extremist political movement which we term "Communism," which cannot be lightly brushed aside.

(1) *Charge of "disloyalty":*

The "disloyalty" charged against the American "Communists" is not that they would overthrow the United States by force and violence, but that they have

turned their backs upon the American dream of freedom enunciated by our Founding Fathers in our great Charters of Liberty, even while invoking their protection. Love of country, love of flag, love of our own institutions, are jeered at as being "chauvenistic." Instead, they yield their enthusiasm and loyalty to a foreign land, and dream that it constitutes the well-spring of a new world democracy, blandly ignoring the fact that it is totalitarian, not democratic, as even its staunchest supporters admit. One well-known speaker described this new outpouring of so-called "democracy" as emanating from Moscow, and spreading like Sherwin-Williams paints, to cover the world. They have forgotten that here, in our country, did the great movement of democracy have its start. They have written off the great American experiment in democracy, see no hope of internal reconstruction, and even go to the extremes of suggestion that the American people be "freed" by invading foreign armies, as the democratic armies of France "freed" European nations at the time of the French Revolution.

(2) *Creation of internal dissension:*

Because their sense of loyalty has been turned inside out, their strategy has been to create internal dissension and confusion. Their "left wing" press has concentrated on the evils present today within the United States - of which there are many - but at no time has its press or its leadership offered any positive "American" design for economic and social reconstruction. Instead, they have been as vigorous in opposing the development of such a design as the forces of reaction themselves, obviously because a

sound "American" program would cut the ground from beneath their own strategy of letting the forces of disintegration take their course. When asked about their positive program, they respond that there will be time enough for that when they are in power.

(3) *Violence:*

While pretending to leadership in the world peace movement - in recognition of the obvious fact that an atomic war would destroy both the United States and Russia - they have embraced the Marxian philosophy of the "revolution of the proletariat," clearly with the hope that only through such a revolution may they rise to power in the United States as other similar groups rose to power elsewhere throughout the world. The fact that in such a situation of violence American boys would be called upon to kill other American boys, and that through a disruption of the flow lines of supplies disaster almost equal to that which might follow an atomic bombing would ensue, seems to cause them no concern.

The philosophies which they follow, and the vocabulary used to promote them, are rooted abroad and have no place in American life. They have been rejected by the American people every time the issue has been presented to them. Ironically, by driving the country down the road to catastrophe, the forces of reaction, themselves, promote the philosophies of the so-called "American Communists."

These are the four forces - the four "ISMS" - which stalk across the land, threatening the very destruction of our American civilization. In fairness it

should be added that these are the attitudes of the extremists in each category. Generalizations cannot be exact, and within each category are many who hold passionately to the basic principles upon which our country was founded.

A particular danger exists in this sensitive situation. To use a military comparison, the three forces of fascism - Monopolism, Vaticanism and Militarism - in order to immobilize true American liberalism of the quality of Thomas Jefferson, are engaged in a powerful flanking demonstration against the fourth - "Communism." Their clear purpose is to so weaken the rest of the line of the forces of liberty that they will be free to put on a power drive of fascism (already under way) against the other flank, to destroy our American democracy "by force and violence." That strategy plays into the hands of the Communists, for the reactionaries, having silenced the forces of true liberalism, establish the Communists in the eyes of the people as the last remaining champions of liberalism, and elevate them as martyrs in the cause of peace and freedom. Undoubtedly, many an American, frustrated in his efforts at liberal expression, has joined the ranks of the Communists for lack of any other program to which he may give his support.

CHAPTER FIVE

THE ENEMY

Part 3 - Weaknesses

CONTINUING our "estimate of the situation" we must now consider the weaknesses of the "ENEMY" as we have his strength.

The only way to judge of any social institution is by how it works - how well it serves the "general welfare."

Outwardly Capitalism stands as the *de facto* government of the United States - as an economic monopoly completely supreme within the economic order, and through control over the national economy, controlling the political order as well.

Capitalism is king!

But its strength is more apparent than real. Let us consider its weaknesses.

Definitely, something is wrong with Capitalism. Judged from the point of view of its contribution to the "general welfare" it has ended in stark failure. It began to tremble on its foundations as early as 1912. World War II acted as a reviving hypodermic. It collapsed definitely in 1929. Roosevelt propped it up by "hypodermics" of "made work" costing our taxpayers 60 billions of dollars, and when these doles failed, plunged the country into World War II. It began to fall apart again by 1950, after the orgy of post-war spending began to fade. Thus Truman found the Korean War an economic necessity. Now the Korean war has ended and Nemesis overtakes it at last.

Capitalism is king! Yet in this beautiful land, the greatest nation in the world, with unlimited potentialities of man-power, productive plant and natural resources, and with a stock-pile of billions of dollars worth of consumers' goods piled high in warehouses, it is not able to provide the basic essentials of food, clothing and shelter for millions of our population. We enjoy neither freedom from want, nor freedom from fear. We are back, economically, to 1929, with the threat of internal violence replacing the threat of international violence.

Definitely, something is wrong. It is high time that we subjected Capitalism to an exploratory surgical operation to determine the causes of its illness.

We have come to the end of an economic era. All great historical changes are simple of explanation in retrospect; six causes for the fall of the Roman Empire; five causes for the Protestant Revolt; four causes for World War II - as easy as that in our History books!

Given the vision, we can as easily find the explanation for the failure of capitalism, notwithstanding our closeness to rapidly-moving events.

We can diagnose the underlying causes of Capitalism's failure under one major heading: *FAILURE OF DISTRIBUTION*, analyzed under four interrelated subsidiary headings:

The Dilemma of Monopoly of Wealth,

The Dilemma of Capitalistic Saturation,

The Dilemma of Technological Unemployment, and

The Dilemma of Abundance.

CHAPTER SIX

Distribution

Under Capitalism

The problem is distribution!

We have solved the problem of production, but have not solved the problem of distributing all of the goods we are able to produce. This is the heart of our economic crisis. We are in a state of crisis because we have too much. Our problem of analysis must, therefore, be directed toward the problem of distribution.

How does Capitalism distribute the goods it produces?

For the purpose of this discussion, Capitalism will be defined as *the economic system in which capital earns wages of profits (or interest, or other "un-earned increment"), and through the operation of the profits incentive, distributes the goods produced by*

the system.

Let us consider the cycle of production and distribution.

Capital is invested in the expectation that it will earn profits, such profits being, in effect, wages paid for the use of the wealth; such investment creates industries which give employment to workers; wages paid to workers permit them to purchase the goods they have helped to produce; such purchases constitute a *distribution* of the goods produced by the system; the savings of workers and the earnings of capital become available for reinvestment, thus initiating a new cycle of capitalization, production and distribution.

It is fundamental in the system that production and distribution are for *profit*, that is, that the animating motive of the entire cycle of capitalization, production and distribution is the expectation of a return of profit on the investment. Capital is put to work to earn wages of profits, and must earn profits, or the system fails.

The emergence of "interest" was one of the most significant events in history. When money first came into existence it was merely a medium of barter, used to save the labor of transporting to market the goods to be exchanged, and frequently bearing the design of the goods represented - a horse, or a cow, etc. It had no earning power in its own right.

The day some canny individual discovered that he could demand as "interest" an additional coin in return for the one loaned, money ceased to be merely

a medium of barter and became a wage earner in its own right. Wealth began to earn wages in the form of "interest" or "profits." With the coming of interest and profits a new motive of human action came into existence which has affected the entire course of civilization. Men now saved money in order to be freed from the necessity of physical labor. He who had money was able to set it to work, in competition with human labor, to earn wages for which others must toil by the sweat of their brows.

For centuries the loaning of money at interest bore a moral stigma. The non-productiveness of money of itself was so generally recognized that all money lending at interest was condemned by Jewish, Catholic and Protestant churches, and it is still condemned by Mohammedanism.

The Jews were the first to yield on this principle, and permitted interest to be charged against non-Jews. This threw the business of money-changing into the hands of the Jews, who were no longer held by rigid precepts. Toward the end of the Middle Ages the monopoly held by the Jews had interfered with the Italian businessmen so seriously that they appealed to the Pope to relax the restrictions. This he did by permitting a "reasonable" amount of interest - like permitting a "reasonable" degree of thievery or murder. The Church of England followed suit. Thus, interest acquired morality "with benefit of clergy" a status which has grown throughout the years. Today orthodox churches accept generally the theory of the "Divine Right of Profits," and defend this "right" vociferously, as formerly the Roman Catholic hierarchy ac-

cepted, and defended, the theory of the "Divine Right of Kings." The acceptance of the inherent *moral* right of wealth to earn wages of profits or interest is a significant factor in our economic problems.

If we accept the fact that Capitalism was born when "profit" or "interest" came into existence, we must also agree that it has changed its nature to a marked degree from age to age. The Capitalism of a world which was largely agricultural differed from that following the Industrial Revolution, which brought into existence the joint stock company, and opened a new era of capitalistic expansion. This form of Capitalism differed, in turn, from our present "industrial capitalism," or "capitalistic feudalism," or "capitalistic internationalism," or whatever title we may wish to apply.

The essential point which must be kept in mind is that today so completely capitalistic has our country become, and so completely must we rely upon "profits" or "interest" for distribution, that few can live apart from these incentives. *Only through profits can goods be distributed.*

CHAPTER SEVEN

The Dilemma Of Monopoly Of Wealth

LET us now proceed with the discussion of the first of our four causes for the failure of Capitalism - the Dilemma of Monopoly of Wealth.

As already stated, at the present stage of the development of our highly-integrated Capitalistic economy the entire population, and not merely a part of it, comes under the control of the system and cannot live apart from it. Upon the successful functioning of the profits incentive depend the bread and butter of every man, woman and child in the country. The opportunity to withdraw from the orbit of the profits motive, and retire to a self-sustaining, simple economy is practically non-existent.

The amounts invested have increased to fantastic totals. The few thousands or hundreds of thousands of dollars invested during the Middle Ages increased to millions, then to hundreds of millions, then to billions, and now to hundreds of billions of dollars, every dollar invested demanding its wages of profits, and the interest on every dollar being compounded and re-compounded month after month, year after year, decade after decade, century after century. Other forms of *imaginary wealth* - "credit" or a mere promise to pay, the "fountain pen" money of the bankers, and "watered stock" have been added to the billions of dollars of real wealth demanding real wages.

Money - and this is an important point - is no longer primarily either a medium of exchange or a wage earner earning the wages of profits. It has come to serve a far more vital function. Money has become the agent through which its owners, through the process of capitalization and recapitalization, have acquired ownership over the *real wealth* of the country; mines, waterfalls, railroads, factories, farms, homes, shops. Through this process such real wealth has become the *ultimate profits*.

Furthermore, once the system has acquired such forms of real wealth as profits, each form in turn, and by the same process of capitalization, becomes a wage earner in its own right, and demands further real wealth as profits.

Most important of all, through this same process of capitalization and recapitalization, the wealth of the country has become concentrated in the hands of fewer and fewer individuals to the point where "sixty

families" own or control the wealth of the country. Three families - the Rockefellers, the du Ponts and the Mellons - control liquid assets of 65 billions of dollars, sufficient to purchase every small business in the country.

It is immaterial whether sixty families, or one hundred and sixty, or one thousand and sixty families own or control the bulk of the wealth of the country. The point that is important is that the mass of the population is excluded from both ownership and control.

Thus has grown up the greatest of monopolies - *the monopoly of wealth*. From this basic monopoly have sprung the subsidiary monopolies which plague our society.

The point is again emphasized that the ultimate "profits" are the *real wealth* of the country, and that money merely acts as the agent for the process of capitalization and recapitalization. New *real* profits must, therefore, ever be discovered if the system is to survive. But if the few have already acquired control over practically all of the *real wealth*, where can they find more to serve as future profits?

Since they already own most of the wealth of the country, and control the rest, *no additional real wealth exists to serve as profits for the hundreds of billions of dollars demanding real profits*.

The process of investing and reinvesting, of compounding and recompounding earnings, has carried the

system to its ultimate conclusion: complete monopoly of all agencies of production, distribution and exchange.

We may compare the present situation to that which might have occurred on a self-contained Southern plantation, in which the landowner owns the plantation, the tools of production, and the money used in the internal system of exchange. Suppose such an owner should require the workers to work on *his* land, and in *his* shops; use *his* tools; produce crops and other products which would then belong to *him*; pay them with *his own* money with which they must purchase from *him* the goods they have helped produce; give them less purchasing power by at least 30% of the value of the goods produced (as represented by the "entrepreneurial withdrawals" of profits); demand that they pay *him* a profit over and above the wages they receive, in the form of land or other real wealth. But if he already owns all of such land, and all "money," where are they to find any more to pay further "profits?" How stupid such an expectation! And how much more stupid if he then refused to permit the wheels of industry to turn on the plantation until they paid such profits, kept accumulated stockpiles hidden in warehouses, and permitted the workers to starve! Yet this is the situation in which Capitalism finds itself today!

This is Capitalism's first dilemma. It *must* make more profits, but already owns all real profits. It cannot function unless it is assured its wages of profits, but since it already owns all of the real profits, which it has concentrated in the hands of the few, nothing more remains with which to pay any more profits. So

we may conclude that Capitalism cannot, through its profits incentive, distribute the goods produced by its economic machine, because, as a monopoly of concentrated wealth, *the system has already earned all of the profits*. In other words, *the profits system has choked to death on profits!*

This is the first reason for the failure of the system.

CHAPTER EIGHT

The Dilemma Of Capitalistic Saturation

LET us now examine the significance of the capitalization process with relation to our second dilemma - the dilemma of capitalistic saturation.

Only by pyramiding its debt can Capitalism survive. To speak of reducing debt under Capitalism is a contradiction of terms.

Capitalism - using the definition stated above (page 35) - is *always in debt*. It can never buy, and *pay for*, the goods produced during a given period with the expendable income received during that period. The reason is clear. Consider a single industry. The workers in the automobile industry cannot purchase the automobiles they produce with the wages they receive. The earnings derived from the sale of cars are split two ways, the first going to workmen as pur-

chasing power, and the second part going to the owners as profits on their investment.

If all of the cars produced were to be paid for, the two shares must be pooled, since that is the amount for which the cars are sold. However, a considerable part of the share of the owners is taken out of the consumption market entirely and cannot be expended either for the purchase of automobiles or anything else. The ability of the owners to consume is strictly limited, even though they indulge themselves in the wildest extravagances. No matter how much they succeed in spending, large sums remain unexpended at the end of a particular period, *and must be reinvested*.

The same is true of all other industries. At every stage of production within each industry, and continuing through to the time the finished product is delivered for consumption, labor receives a share of the income of wages, and capital receives the other share as profits. The share of labor varies, but can be estimated roughly as about two thirds of the national income. The *total* amount, wages plus profits, must be expended to buy the goods produced, since that is the amount, including all overhead charges added to the sales price, for which the goods are sold.

The importance of this apportionment of the national purchasing power lies in the fact that *the share represented by profits is largely unconsumable*, due to the concentration of wealth in the hands of the few; to the correspondingly stupendous increase in the sums received; and to the definite limit in the consuming power of the recipients.

To the unconsumable income of Capital must be added the savings of the workers who, although able to consume their share, defer consumption in the hope of future security gained through bank savings, insurance policies, social security deductions, the purchase of war bonds, and other means of savings, and including taxes. At the end of any period of production, therefore, Capitalism saves a considerable part of its purchasing power. The savings of wages, plus the savings of unconsumed profits, combined, constitute the national savings for the period in question. These savings, being removed from the consumption market, represent an amount of goods *bought but not paid for*, or else *goods produced but not sold, and accumulated in stock piles*.

Since large quantities of goods produced in any particular period cannot be bought and paid for with the part of the national income available for consumption during the period, we must investigate the manner in which payment is effected.

Some of them are sold abroad in foreign trade and are thereby removed from the domestic market. In return, however, we receive an increment of earnings, the savings of which must be added to our own as available for investment, and which serves merely to magnify our problem of reinvestment.

Some of them - and a considerable amount - are sold through deferred payments, thus postponing indefinitely into the future all expectation of payment. Other billions of dollars worth are purchased by the government with taxes extracted from the pockets of the workers - a form of "forced levy" for the payment

of "profits through taxation" - and then are burned, or dumped into the ocean, or stored in caves, or "plowed under," or allowed to rot. Other billions of dollars worth accumulate unsold as inventories.

When Capitalism is functioning at maximum efficiency, however, the increment of consumers' goods not paid for with current wages are paid for with the wages received by workers engaged in *new* industries created by the investment of savings of earlier periods. Savings of *last year*, when invested in new industries, give work and wages to consumers *this year* with which to pay for the increment of goods produced *last year*. The savings of *this year*, invested in new industries, give wages to workers *next year* with which to purchase the increment of *this year*. The savings of *next year*, invested in new industries, will give wages to workers *year after next* with which to pay for the increment of *next year* and so on indefinitely. It is obvious, therefore, that *all* marketing of Capitalism is, in practical effect, *deferred payment marketing*. Future wages made possible through investment of present savings must be relied upon to pay for the increment produced in the past. The kinetic process of deferred payment marketing has become so thoroughly integrated into the national economy that we no longer perceive its importance.

This brings us to the second of Capitalism's dilemmas, the subject of this chapter. *Capitalism must expand continually or die. Savings must be reinvested.*

Historically its record has been one of expansion. The tide of capitalization started with the Industrial

Revolution. It spread over Europe, across the Atlantic to the United States, and across the entire United States. As the geographic frontiers of the country moved westward the frontiers of Capitalism kept pace. Its need for expansion led the way to the opening of the West, it built our gigantic national industries, it transformed the country from one coast to the other, and converted an agricultural civilization into an industrial civilization. As it expanded, it capitalized, each capitalization permitting it to establish greater and greater control over the wealth of the country and to concentrate it more and more into the hands of fewer and fewer individuals.

Could the process go on forever? As long as the annual savings available for investment were less than the demands for the capitalization of new industries or for the exploitation of new national resources, the system could maintain itself. As soon, however, as the sums available for reinvestment became greater than could be absorbed by new capitalization, the bankruptcy of the system came in sight. Actually, the sums available for investment, through the process of compounding and recompounding of earnings and through the addition of "credit" and "water," increase in a *geometric ratio*. If the system were to survive, *the outlets for investment and reinvestment must increase in the same ratio*.

Herein we have a clear explanation of that meaningless slogan, the "business cycle." There is, in fact *no cycle* - no going up or coming down. As long as no impediment arose in the path of capitalistic expansion, business was "good," profits were made,

earnings were reinvested, wages were disbursed, more profits were made, and the system maintained itself. But let any doubt arise as to the safety of investments, or as to channels into which savings were to be directed for reinvestment, and capital would take fright, be withdrawn from both the investment and consumption markets, goods would remain unsold, workmen lose their jobs, and a "panic" or "depression" ensue. Instead of moving in a cycle, which implies a going up and a coming down, Capitalism's progress may better be compared with the lateral movement of a heavily loaded sleigh on snow. As long as the snow of investment and reinvestment continues and becomes deeper and deeper, the capitalization load can carry itself forward easily and smoothly by its own momentum. But if a bare spot is encountered in the form of hindrances to the process of expanding investment, the load lurches to a sudden stop and can be started again with difficulty. Should the time ever arrive when the fields of investment became bare, all movement must stop.

We have arrived at that time.

During earlier periods of business stagnation, the process of capitalization and of concentration of wealth had barely started. The country was still young, business was in its infancy, land could be had for the asking, a new world was open to exploitation, the opportunities for investment were practically limitless, and any "panic" must be temporary.

Today everything that lends itself to capitalization has already been "capitalized." Our homes and our farms have been "capitalized" through real estate

mortgages. Our automobiles, radios, TV sets, electric refrigerators, the clothes on our back, the beds in which we lie, the coffins in which we are buried, the fillings in our teeth, the very air we breathe, are all "capitalized" through deferred payment marketing. Our past wars have been "capitalized" through war loans - bombs fired during World Wars I and II are still demanding their wages of profits, and the amounts grow progressively larger, even though the bombs "capitalized" and the men they killed are long forgotten. Past destruction will demand its wages of profits to the end of time, long after our dead have rotted in their graves.

For, be it noted, lacking normal outlets for expansion, Capitalism has passionately embraced government, and has made loans to government, particularly war loans, its chief emergency capitalization project. Capitalism's one vain hope of survival is to extend its system progressively all over the world, to use economically backward countries as sources of raw materials and as consumers of their finished products. Therefore, it prowls abroad - to South America, Egypt, Iran, India, China, the Philippines. Wherever it goes it must be defended by machine guns, and tanks, and planes, and atom bombs. That is why we waged a brutal war in Korea. That is why we shipped scrap iron to Japan which she used to kill American soldiers. That is why the State Department denies visas to American oil technicians to go to Iran to help the Iranians to produce oil for Iran. That is why the Cartelists were able to collect their profits - blood money - on the industries of Germany throughout World War II - the I. G. Farbens and the Krupps.

But now foreign outlets for expansion have been blocked. That is why we intervene in Cuba and Latin America. Non-capitalistic countries control much of Europe and Asia, and deny our capitalists entrance. Egypt and Iran are in revolt against economic exploitation. South America is restive and awaits the opportunity to throw off our economic chains. The nations of Western Europe begin to loosen our economic chains and turn to the East for commerce.

We have arrived at the saturation point of capitalization and recapitalization. As long as money could find employment, men could find jobs and be paid wages to permit them to subsist. But already we have a sufficient number of automobile factories, railroads, power plants, etc., to produce far more than our purchasing power for consumption will permit us to consume. The construction of war plants adds to the surplus. Our farms and homes are already mortgaged to the last acre. Time payment purchasing has already been carried to the point of the fantastic. Capitalization of government has already carried the government into bankruptcy. Fields of foreign exploitation, whether through the exploitation of international war or otherwise, have become closed to us. Instead of having a field for investment expanding in geometric ratio to provide an outlet for amounts available for investment which are increasing in that ratio, we find that the investment field has suddenly collapsed and can no longer absorb the huge sums available. Just as we have reached the end of the age of territorial expansion which has wiped out geographic frontiers, so also have we reached the end of the era of capitalization.

Capitalism has at last reached the goal it set out for from the beginning - complete capitalization of the country; with billions of dollars unemployed, or employed only through governmental borrowing; with the system of deferred payment marketing already over-extended; with stock piles of surplus goods mounting; with foreign fields of expansion absorbing foreign capital; with no further outlet at home for normal expansion; with even the emergency measure of capitalization of war no longer able to take up the slack; and with total national bankruptcy *through saturation of capitalization* the inevitable end.

For this second reason Capitalism cannot distribute the goods we are able to produce. *The so-called cycle of investment and reinvestment of unconsumable earnings has broken down.*

CHAPTER NINE

The Dilemma Of Technological Unemployment

CAPITALISM faces a third dilemma - *technological unemployment*.

There has been much dispute as to whether technology has increased or decreased employment. As a matter of fact, of course, it has done both. The cotton gin made possible the employment of thousands of slaves in the South. On the other hand, the invention of the mechanical cotton picker deprives thousands of workers of their jobs in the cotton fields. In many industries the application of technology has, through mass production methods, increased employment, particularly in the initial stages of development. In others, the application of technology has resulted immediately in reducing employment.

The important point of the application to industry, however, does not lie in whether, at a particular time or in a particular industry, it increases or decreases employment, but in its total relationship to the capitalization process described above.

After the age of technology had started the world toward industrialization and mass production, machine power became the very foundation of the system. It, too, lent itself to capitalization. Had ownership of the new technology come into the possession of the workers from the beginning, they would have found it a willing slave to relieve them of the drudgery of physical labor. But the opportunity was lost, and instead of becoming the slave of all of the people, the machine, through capitalization, became the slave of the few. Ownership over technology, like ownership over other forms of real wealth, became concentrated in the hands of the same few individuals, and by the same process as they had used to acquire ownership over the rest of the country. Every screw driver, monkey wrench, drill press and dynamo was capitalized, and was added to the capitalistic monopoly.

Like other fields of investment, the machine increased employment during the period of expansion. It could increase such employment only as long as new inventions could be developed which were suitable for capitalization, but once the process of capitalistic expansion was interrupted unemployment must follow. Under such conditions surplus labor could find no work in a static or contracting economy. In such an economy the workers and not the machine, were the first to be discharged. Further, once an industry

was established, any refinement of mechanization within the industry must decrease employment, since the purpose of the new technology was not merely to increase output, but primarily to decrease the labor costs of manufacture.

Because mechanization of industry offers possibilities for capitalistic expansion, those who control our economy have searched for a new invention equal to that of the motor car or the airplane to put money - and in the process, men - to work. In its extremity, and with the collaboration of conniving politicians, Capitalism today grasps at every straw of public activity which it may turn to its own use - public power, the postoffice department, and above all, the new atomic power, which it will try to convert to its exclusive benefit, as it has all other possible forms of exploitation.

But the fields of mechanical capitalization - of capitalization of technology - like other fields of investment, have reached the saturation point. Surpluses of wealth available to be converted into investments have reached such gigantic sums that half a dozen technological industries equal to the motor industry or a new housing industry, could not absorb the total of finances or man-power available. Conversion to atomic power would automatically render obsolete other forms of power and accelerate unemployment.

Capitalism is faced with a dilemma within a dilemma. On the one hand, men are needed to consume, but are not needed to produce, since technology can do the work better and cheaper than the workman. If workers *are not* employed, they cannot receive wages

with which to consume, and if they cannot consume, goods cannot be sold, profits cannot be made and the system fails. On the other hand, if workers *are* employed in technological industries to give them wages with which to consume, at work which machines can perform more efficiently, the industry employing men cannot make profits in competition with like industries employing machines, the industry fails, its employees are thrown out of work, are again transformed into non-consumers, and without consumption profits cease. In either case there is an end to profits.

As part of the general problem of capitalistic saturation, and aggravated by continued mechanical refinements within established industries, the phase of machine expansion which gave increased employment has come to an end, and has been succeeded by the phase of technological unemployment which has resulted in sentencing millions of workers to permanent unemployment. Technological unemployment, as an historical fact in a contracting Capitalist economy, has destroyed the consuming power of approximately 60 million workers and their families, "elder citizens," etc., and those employed in the labor camps of the Armed Services, or in producing the weapons of war. It will be interesting to observe what steps will be taken by the capitalists to lift themselves off the horns of this dilemma.

The unemployed cannot consume. Without their consumption the cycle of investments: - production - distribution - consumption - reinvestment, breaks down at the point of consumption. This is the third reason for Capitalism's inability to distribute the goods it is

able to produce. This is the third reason for the collapse of its system of distribution founded on the profits incentive.

CHAPTER TEN

The Dilemma Of Abundance

THE above is not, however, the most important influence of technology. Its chief effect is far more startling in relation to the last of our reasons for the failure of Capitalism. The new era of science and technology is responsible for the MIRACLE OF ABUNDANCE.

The profits system lives by scarcity. It cannot survive under an economy of abundance. This is the central fact which the American people must understand and accept if they wish to survive.

For weary centuries man has lived on the brink of starvation. There has never been enough food, or clothing, or shelter to go around, and the thought of plenty has been beyond his wildest dreams. As he laboriously tried to lift himself by his boot-straps to

higher levels, he prayed to his Gods - word it as he might - "give us this day our daily bread." And since it was written that the poor must always be with us, his prayers had a note of fatalism, futility and despair.

But suddenly the most marvellous miracle in all history has come to pass. By mass production methods achieved through science and technology, the world of scarcity and starvation has disappeared overnight, and a new world of potential plenty has taken its place. Little by little, mass production methods, made possible in the new era of power, has caught up with human wants. The invention of the cotton gin opened new fields of employment and brought about mass production of cotton, until finally, even with vastly increased outlets for consumption, the production of cotton has caught up with consumption, even though a foot might be added to the length of every Chinese or American shirt. In practically all industries, - certainly in those readily converted to technological production - the same development has taken place. The power to produce has outdistanced the purchasing power, and often even the consuming power, of the country, and at times even that of the world.

Not that all wants have been filled by any means. The word *potential* is used advisedly in connection with the arrival of the era of abundance. But although millions face starvation, even in the United States, no one can doubt that if we demobilized from wasteful occupations our four million soldiers, our ten million or more war workers, and the millions more wastefully employed in useless duplications and inefficiencies, and added them to our normal working force; and if we

permitted them to be employed in our factories and on our farms to their maximum effectiveness; and if we used our vast natural resources to maximum advantage, we could produce enough goods to fill every human want, and potential plenty could easily be converted into actual plenty. If ten million war workers were able, during World War II, to convert the United States into an Arsenal of Democracy, ten to fifteen million extra workers released from war activities, added to our normal working force, can easily transform the United States into the storehouse of abundance for all civilization.

Herein we find the paradox of Capitalism. Before we committed ourselves to the export of violence in foreign war the people of the United States were starving in a world of abundance! Not figuratively, but literally starving! We starved before World War II; we commenced to starve again before the Korean War; millions of Americans starve today even with our warehouses bulging with a hundred billion dollar stockpile of consumers' goods which they have no purchasing power to buy.

Technology has transformed a world of scarcity into a world of potential plenty. Let us note how the profits system bars the way to the enjoyment of that plenty.

Capitalism can continue to live only *as long as the consuming power of the population increased continually to keep pace with the increase in production.* Since the potentialities of production increase toward infinity, their *wants* which demand satisfaction must increase to infinity, and their *purchasing power* must

increase in like ratio.

Capitalism can no longer count on a continuation of the condition that *wants* remain infinite. It has long been assumed that human wants were, indeed, infinite, and that there is no limit to the demand of men for goods to be consumed. That assumption is no longer accurate. "Man wants but little here below," and that little can be met very easily. In a number of fields technology has already supplied every human want, no matter how great the purchasing power of the consumers might be. In other fields, although human wants have not yet been met, a sufficient supply could easily be produced if artificial barriers to technological production were removed.

And this is but the beginning! Through the use of new inventions and techniques already perfected, the use of man-power in production will decrease progressively toward zero, as productive capacity rises toward infinity.

How does the transformation of the economic world from scarcity to plenty affect the profits system? *Profits can be made only in a world of scarcity!* The profits system is designed to distribute *scarcity*. It is *not* designed to distribute abundance. It is captured in its own law of "supply and demand." As long as scarcity exists in the supply of any goods, and the demands for such goods exceed the supply, profits can be made in that industry. But when supply exceeds demand for any particular goods, profits can no longer be made in the industry producing such goods, and money must find other outlets for reinvestment of its earning powers.

This is the reason we have destroyed cattle, and dumped food into the ocean, or buried it in caves, or burned it, or used it as an instrument of bribery and intimidation in our foreign policy. We have attempted to create *artificial scarcities* which will permit the system to live though men may starve.

Through the application of mass production methods in industry after industry, where supplies are in excess of demand (within the limitations of purchasing power), technology has driven capital from one field of investment to another, and has gradually destroyed its profit-earning potentialities in one industry after another. At the same time it has displaced workers, thus reducing purchasing power. Capitalism is caught between the upper millstone of technological production of abundance, and the nether millstone of reduced purchasing power caused by unemployment.

The new era of power has created a world of abundances in which profits cannot be made. And if profits cannot be made, the profits system perishes.

CHAPTER ELEVEN

Capitalism's Blind Alley

THE process of capitalization and recapitalization of wealth, constantly increasing in amount, and being concentrated into the hands of fewer and fewer individuals, has carried Capitalism down a blind alley from which there is no escape. The system is basically self-destructive. Possessing the seeds of its own destruction, it could not have operated otherwise.

To summarize: Capitalism - which, according to our definition, is an economic system which distributes the goods it produces through the operation of its profits motive, has failed for the following reasons:

- (1) All the *real* profits - mines, homes, farms, railroads, factories, automobiles, waterfalls, etc., -

have already come into the monopolistic possession of the few beneficiaries of the system, and nothing remains with which further real profits may be paid.

(2) The only salvation of the system - infinite opportunity to expand through the reinvestment of its surplus savings, which grow greater and greater in geometric ratio - is denied in an economic world capitalized to the saturation point.

(3) Non-consuming machines, which have inaugurated a vast revolution of technology, have displaced consuming workers, without whose consumption there can be no profits.

(4) A world of *scarcity*, essential to the life of the system, has, through *technological production*, been transformed into a world of actual as well as potential abundance in which profits cannot live.

Briefly, money has finally earned all of the real wages, and technology has taken all of the jobs. Our people, for whose benefit, presumably, the system exists under the constitutional prescription of the promotion of the "general welfare," after long years of bitter competition against wealth for the means of existence, and against technology for the right to compete at all, have been dispossessed of both wealth and jobs. Their liquidation is complete, yet, without them the system itself must fall.

Through capitalization of World War II, and finally the Korean War, which gave an outlet for the investment of hundreds of billions of dollars in government bonds which represented capitalization of government, the system was given a temporary breath-

ing space. Otherwise it would have collapsed long ago. Now that H-Bombs make warfare obsolete, our gravest crisis of economic reconstruction, which we have attempted to evade, is finally upon us.

Capitalism finds itself in the predicament of the giant in the Siegfried epic. He laughed aloud when Siegfried struck at him with his marvellously tempered sword, but upon shaking himself at Siegfried's insistence, fell headlong into the dust. Capitalism, too, has been cut cleanly in two by economic weapons which it has, itself, forged. It is still unaware of its mortal injury and still believes in its own strength. But doubts begin to arise. Only a false idea of survival holds it erect. The moment that that false idea is shaken by economic truth, Capitalism, too, must tumble into dust.

CHAPTER TWELVE

An Evaluation Of Capitalism

SO we must conclude that Capitalism - the economic system which distributes through the incentive of profits - is dead, not because of "Commies," or "foreign devils," or "borers from within," or "subversive elements," but of weakness inherent in the system itself.

This conclusion is so clear and compelling that it is amazing that all major national and international decisions are based upon the misconception that the system still lives. Economists, politicians, businessmen, the mass of the people, are convinced that though the system might be in need of "reform," it is still fundamentally sound. Unfortunately, the Money Monopolists seem to have believed their own propaganda, designed to keep the people in line, and drive "full speed ahead" toward the final catastrophe.

Remembering that a new economy of abundance is ours for the taking, and that through intelligent action we can remove insecurities and move on to a new horizon, let us catalog impartially the qualities of Capitalism, and look upon it as it really is. *Let us look at the record.*

Number one: Capitalism is extra-constitutional in the sense that the Constitution guarantees no rights to profits and is not designed to maintain any particular economic system. Modern Capitalism, having developed since the Constitution was written, is outside the Constitution - unconstitutional, if you will. Only indirectly, by legislative guarantees of rights under contract, is there legal countenance to the profits system.

Number two: It is anti-social. It is founded on the concept of man as a predatory animal - dog eat dog - eat or be eaten. One might go farther and say that it is anti-Christian. Christianity is founded on the brotherhood of man and on human cooperation - of every man as his brother's keeper. Capitalism is founded on its antithesis - on cutthroat competition with the hand of every man against his brother. The Capitalist order is thoroughly and completely dominated by its creation, the imaginary "corporate man," who can have no social consciousness, no social responsibility, but who is interested only in profits. The average businessman may be honest, God-fearing, but he is forced to compromise on these qualities to the "corporate man" who is without human feelings - a Frankenstein Monster. Jesus warned that man cannot serve both God and Mammon. Today national and

international Mammonism has become the modern "way of life." To expect social good to derive from a system which is fundamentally anti-social is folly.

Number three: It is *anarchistic*. Its boasted "free enterprise" is the law of the claw and the fang. It has set nation against nation, industry against industry, section against section, race against race, religion against religion, man against man. It cannot tolerate democratic control. Instead of representing economic "order" it has meant disorder, confusion, disunity, anarchy. The forces of the Money Monopolists constitute, themselves, a "headless horseman" galloping off in all directions.

Number four: It is *feudalistic* - an industrial feudalism - an anachronism in a modern world. The pattern of our industrial structure bears a striking similarity to the political structure of feudalism during the Middle Ages, with its thousands of competing principalities of varying sizes; ruled over by overlords of varying importance and power; without a controlling or coordinating head; with its petty leaders engaged in petty wars; with a few strong states beginning to be gobbled up by even stronger states; with starvation and misery and political domination for the mass of the people. Relatively, of course, the mass of our people are better off, but we can still boast of a degradation and misery among our own people which would shame the Middle Ages. Poverty, like death, is tragically individual.

Number five: It has fostered class consciousness and class wars. It has set labor against manage-

ment, the farmer against the workers in industry, the rich against the poor. Instead of laboring and cooperating "all for one, and one for all," as we do to win wars, it has committed us to the philosophy of every man for himself and the Devil take the hindmost. If continued to ultimate, it must soon end in civil war or revolution.

Number six: It is *disloyal and unAmerican*. Witness the fact that every Japanese bomb dropped on Bataan might well have born the trademark: "Made in America;" or by the fact that the military patents vital to our security were traded between our industrialists and the Nazi; or that the industrialists of Germany were spared the destruction of their industries through the connivance of American (?) industrialists; or that these same American (?) industrialists were paid profits throughout World War II on their investments in Germany, paid through Swiss bankers. It constitutes "Economic Imperialism" which recognizes no national loyalties, and yet which calls upon political states to fight to protect its possessions in India, or Iran, or Egypt, or Korea, or South America. It is the true imperialism which has forced wars upon the world, which call for much blood-letting, but from which it has, heretofore, escaped unscathed. The nightmare of an atomic war, which would be aimed primarily at its industries, must cause its leaders to shudder in their sleep.

Number seven: It is *wasteful* - wasteful of natural resources, forests, mines, topsoils, oil reserves, and scandalously wasteful of men. What are we to think of a system, presumably instituted for the

good of men, which during the Depression wasted the efforts of ten to fifteen million workers, and millions of workers wastefully employed? What would we think of a military commander who employed only half of his forces in a critical campaign, blew up his own ration and supply dumps, and then turned his artillery on his remaining forces and destroyed them himself? How can we justify a system which dumps abundance into the ocean, or "plows it under" through one means or another, and finally embarks on a strategy of world violence as its last means of survival - to make profits through a species of cannibalism where brother, figuratively, eats brother - to take our youth out of unemployment lines and place them in the "labor camps" of our military forces - to wipe out the world's excess population through mass murder?

Number eight: It is without integrity. It constitutes a system of legalized thievery. In the name of profits the grocer sells depleted foods, the butcher weighs his hand with every sale of meat, the garage man cheats on his sales and repairs, the clothier sells shoddy for all wool. The "little people" become little racketeers. The "big people" do the same thing in a bigger way. *Caveat Emptor!* Let the buyer beware! The battle cry of the capitalist order! It has made cheats, liars and racketeers of all of us. It could hardly have been foreseen, centuries ago, *that national and international usury would rule the world.*

Number nine: It is stupid. Who are the capitalists? Our farmers and our workers? Surely not, even though they may own a war bond or two, or an insurance policy, or have a few dollars in the bank. Our

managers and executives? Not they, though the number of their bonds, policies and savings may run to larger figures. One would presume that in a Capitalist world all men would be capitalists, just as in a Communist world all men might be presumed to be Communists. Presumably this is not true in either case. It is not unfair to say that the only capitalists are the relatively few individuals who own or control the bulk of the national wealth. Their senseless hoardings of wealth beyond their capacity to enjoy what wealth can purchase (apart from the illegitimate power they derive from wealth), is as stupid as the hoardings of a crow who gathers bright bits of glass, and string, and what not. It is possible that the highest of the high among the Monopolists suffer from an occupational disease - stomach ulcers - due to the wear and tear upon their nervous systems from trying to remain a Monopolist.

Number ten: It cannot work! It has broken down, and "all the king's horses and all the king's men" can never put it together again. We no longer have a choice between Capitalism and something else. *We must choose something else!* It has been said that Capitalism and Communism can live side by side in the same world! This is not true. Capitalism cannot even live side by side with our American Republic. Capitalism is *finished* - *ausgespielt, fini, pow*, ended in any language. This is the hard historical fact which we, the American people, must register in our consciousness, and act in accordance with that or perish.

We need not choose Communism, as both "right" and "left" wing leaders would have us believe. We

can, and must, choose our own design.

We have come to the end of an economic era. The old world of scarcities is battering itself to pieces on the rocks of economic fact - of a new economy of abundance. If we plow ahead stubbornly on our present course we shall surely end in disaster, and take civilization along with us. If, on the other hand, we use our God-given intelligence, we may still, even in this eleventh hour, save ourselves, accomplish our mission, and lay the foundations for a new era of abundance, with potentialities for human welfare so grand as to stagger the imagination.

Never in recorded History has such a critical choice been presented to any people. Along one road lies catastrophe - along the other a "life more abundant" beyond the dreams of men.

CHAPTER THIRTEEN

Estimate Of Our Own Forces

THE estimate of the strength and potentialities of the "ENEMY," tedious though it may be, is necessary to convince ourselves that there can be no compromise with the old order, and that we must develop other plans to accomplish our stated *mission*. We now turn to an analysis of our strength and potentialities.

From the material point of view we have such a tremendous potential to enable us to accomplish our purposes, as no military commander in the history of the world has been blessed with to accomplish his military mission.

Our stockpile of manpower is far beyond our needs. Millions of men and women are employed at present on the active phases of international war, with

some ten to fifteen million more employed in industry producing weapons to back up the firing line. Even with this supply of manpower drawn from productive social effort, the remaining workers are still able to supply our large population, and on top of that, to create vast stockpiles of consumers' goods which the workers cannot buy for lack of sufficient purchasing power. An intelligent solution of our problem would release all war workers, military and civilian, for the production of additional supplies.

Millions more of potential workers over the ages 50-55 are thrown into the economic trash can of the system, and are deprived of the right to employment to permit them to maintain themselves. Many of these are still capable, and would be happy to be employed at productive labor. We must also include millions of women whose potentialities have been largely wasted and who, in the coming era, should find all doors open to them to permit them to establish economic independence. To all these groups we must add the millions employed in parasitical governmental, industrial and labor organizations, in duplications, wastefulness, and extravagance, who should be returned to productive activity.

Thus we have a greater supply of labor than we need, due largely to the fact that science and technology have developed mechanical methods of production which have displaced human labor. We can use *all* of our labor part of the time, or *part* of our labor all of the time, but we cannot use *all* of our labor *all* of the time, in conjunction with mass production technologies.

To extend the problem still further, we are now only on the frontiers of a new age of technology, and as we progress in our techniques there will be less and less need for the labors of men. For example, new techniques have already been devised for the manufacture of automobiles by electronics, without the touch of a human hand. Uncounted inventions are held off the market which could revolutionize communications, motive power, agriculture, and thousands of other means of production and distribution.

The problem of natural resources is far more pressing, for Capitalism has stripped our forests, gutted our mines, wasted our topsoils, stolen our oil reserves, and squandered resources which should have been guarded with miserly care. Nevertheless, many of our resources are still intact, new areas can be opened, our farms and forests can be restored, and new scientific techniques, particularly in the fields of electronics and chemistry, are rapidly opening new horizons for the development of sources of supply. Vast areas of the earth's surface remain untouched, and can be developed for the needs of humanity - not merely to establish the "American Century."

As to productive plant, it has been demonstrated that existing plant is adequate, not only to fight a global war as during World War II, and the Korean War, but at the same time to provide abundantly for the needs of the entire population. The billions of dollars worth of our best productive plant, created with the taxpayer's money and turned over to the "private enterprisers" for a song, can be repossessed by the people to whom it belongs. Modern plant to replace that becoming obsolete can readily be constructed.

This plant would be more than adequate, if converted to the simple purposes of promoting the "general welfare," to assure the easy accomplishment of our mission from the material point of view.

The challenge to us, as we search for our own design, is to bring these elements of manpower, resources and productive plant together in proper combination to create a new world of abundance for ourselves with plenty left over to aid the economically backward peoples of the world, and enable them, also, to lay the foundations for their own economies of abundance. By "us" we mean the people of the United States, acting within their duly constituted instruments of government.

These are positive, tremendous, material assets. But we carry a negative liability of such devastating significance as to have cancelled out the positive potential for several decades. All of these material assets have existed for many years, and were as clearly demonstrable after World War I as they are today. They could have been made to serve the "general welfare" long ago had we, as a nation, had the desire and the dynamics to do so.

The liability is intellectual, moral and spiritual. The United States was founded on basic principles written into our instruments of government, which were mystical in nature - "liberty," "freedom," "equality before the law," "life, liberty and the pursuit of happiness," "unalienable rights," "to promote the general welfare," "In God We Trust." All of these assert the integrity of the individual as being superior to the rights of systems. In their essence they es-

tablish the basis for the concept of the brotherhood of man. The theory of equality in the eyes of Deity was an assertion of democracy which antedated political democracy, and was a philosophy which shook the thrones of absolute monarchs. It was this faith in the rights of man, as an individual, as against the rights of systems, which animated our Founding Fathers and which caused the people to demand the inclusion of the Bill of Rights in our Constitution.

These statements are so axiomatic that it would seem needless to restate them. But where is that spirit now? What has become of our moral courage? Gone with the wind . . . We fought to make the world "safe for democracy" in World War I, and for the "Four Freedoms" which were challenged by fascism during World War II. Today we have become the leading fascist nation of the world, heirs to the traditions of Hitlerism. We restored the Nazi in Germany and the industrialist in Japan. We engaged in a war of violence against the people of Korea - South as well as North - which in brutality went beyond anything that Hitler perpetrated against the little people of Czecho-Slovakia or Poland. Our entire economy now survives by a species of cannibalism, for "we never had it so good" at home only because our youth was killing and being killed abroad.

Behind all this are the "sins" of selfishness, and greed, and exploitation of man by his fellow-man. The spirit behind the United States is no longer "In God We Trust," but worship of the "Almighty Dollar." We have become the most materialistic nation on the

face of the globe, conditioned to the Horatio Alger concept of success - "From Rags to Riches."

Few protest. Even religious leaders of all faiths, where they do not openly connive in promoting violence, acquiesce in a foreign policy founded on the belief: "Thou *shalt* kill!" Union leaders pray for larger and larger munitions contracts, so that they can hold their membership together and thus remain in power to draw princely salaries. Educators fall in line, their only answer being to teach our children to duck under school desks in the futile effort to protect themselves from atom bombs. Leaders of goose-stepping veteran organizations incite to mass murder. Representatives of the people preach violence in the halls of Congress, destroy civil liberties guaranteed by the Bill of Rights, and vote the people into bankruptcy to sustain a vicious, greedy, outmoded economy.

The people themselves are either inarticulate, or collaborate actively in the sordid dance of death, and are the first to turn against those who attempt to teach the truth. They eat with no less appetite because they feed, figuratively, off the bodies of their brothers and sons on the firing line. Not one influence is observable today with sufficient potential to turn the tide in the direction of peace and order.

And yet the tide *must* be turned if we wish to survive. Materialism has failed tragically. The American people must recapture the early spirit of America. They must awaken to the fact that in our highly-integrated economy each is - in hard economic fact - his brother's keeper, for if he does not serve his

brother, his brother will not serve him, and both will perish. We must learn that security is not only national but global, that we cannot bomb the day-lights out of innocent Chinese and Koreans without receiving a blow in our own solar-plexus here at home. "All one body, we." We must repudiate the false doctrine of *competition* which sets the hand of every man, as a thief and an assassin, against every other man, and must turn to *cooperation* in which every man serves his fellow-man, and in so doing serves his own welfare. We must place into practical operation the Commandment: "Thou Shalt Love Thy Neighbor As Thyself" - the "Golden Rule" - as our only hope of survival.

This is, we may presume, what is meant by those who preach a spiritual rennaissance for the United States and the world. Only by turning to these basic and ethical and moral principles can the problem of establishing a material security and abundance be solved - but easily solved! If we fail, we shall fall into dust as Rome, and Carthage, and Egypt, and many other civilizations have failed - and we well deserve to fall.

Above are the basic principles which are the starting point in any program of reconstruction.

CHAPTER FOURTEEN

Consideration Of Alternative Plans

HAVING concluded that Capitalism is a relic of a dead era and cannot serve our purposes, and that we have, in fact, abundant material means and a free hand to accomplish our mission, we must evaluate various solutions which are currently presented to the people of the United States, to determine whether or not they may serve our purposes. Each has its advantages and disadvantages.

Capitalism and Communism: These have already been discussed, and discarded as unsuitable for our purposes.

Socialism: Here again we are confronted with a problem of semantics. Do we mean the "socialism" of the Labor Party in Great Britain, or the "socialism" of Norman Thomas, or the "socialism" of the

Socialist Labor Party, or the "socialism" of Edward Bellamy's "Looking Backward," or the "socialism" of the New Deal, or the "socialism" of various splinter groups as represented by the Progressive Party, or the "military socialism" of the Pentagon, or the "creeping socialism" of the Republican Party? The confusion here is as great as is true of the word "Communism."

For clarification let us turn to a situation in which socialism has been in action - in Great Britain. Here we find the weaknesses of reform socialism clearly revealed as *governmental, bureaucratic monopoly*. The incentives of production and distribution for profit were retained. Private operators were moved out of their positions of control in major industries, were paid off in hard cash for their bankrupt industries and their "headaches" assumed by political bureaucrats, and the bureaucrats moved in. The situation of the workers at the bottom was little better, except probably for the worse, except as welfare projects added to their well-being. The workers had merely changed masters, and the screws were put on tighter by the state as to working conditions and "austerity" programs, which made the individual subservient to the state - little different from fascism or communism. Such production for *use* as resulted from established welfare projects, ameliorated the worst distress, but did not tackle the causes. This failure was due to compromise on the basic principle that the profit incentive of distribution had collapsed.

The same objections can be raised to types of socialism proposed in the United States. They differ only in degree.

The "socialism" of the Socialist Labor Party is functionally the best of the lot, for it has had the intellectual honesty and courage to propose a clean break with the profits incentive. Its weakness lies in its traditional solution of establishing total economic and political *control* through *workers organizations*. Since the number of workers is already a minority of our population, and since the number can be expected to decrease still more as new technological methods are applied in industry, this proposal would serve to disfranchise large masses of our population, and place *control* in the hands of a *labor bureaucracy*.

The "socialism" of the followers of Norman Thomas has come to be considered a joke, if not a tragedy, among true socialists, for he is charged with having compromised on major socialist principles, particularly on the Korean War. His organization boasts of the slogan: "You can steal our thunder (welfare), but you can't steal our lightning (break with the profits incentive)." Because of his compromising stand on the issue of the "lightning" he has become the darling of the American industrialists who can stomach his watered down brand of "socialism" but nothing more.

The "socialism" of Edward Bellamy's "Looking Backward" presents a profitless world founded on human rights. It is a classic in its field, and no one who is not familiar with it can consider himself informed on "general welfare" economics. It falls short in the functional area of "how are you gonna' do it?" within our traditional democratic structure. His advocacy of a "labor army" commanded by generals

and colonels, smacks too much, in these modern times, of the Pentagon and its control over the coal mines, and must be regarded with circumspection for this reason.

Military Socialism: This is the system of control as exercised by the "Brass" in the Pentagon. It might well be termed "Pentagonism," because to the thinking it has come to mean the same sort of repression and restraint as the Bastille of Paris meant to the revolutionists of France at the time of the French Revolution. In time of international crisis - which the military expects to continue indefinitely - it holds the veto power over most of the social functions of the state. Under the Pentagon's system of control, production and distribution are provided under the profits motive with profits guaranteed, if need be, at the point of a gun in the hands of the tax collector, but with decisions made "by command" of the Pentagon bureaucrats instead of by the Wall Street oligarchy. This system of control, as far as we are able to judge, closely parallels that presently in operation in Russia, but without the restraints of even a single-party political responsibility.

New Dealism: Despite its considerable contribution to economic security at the critical time of the Great Depression, Roosevelt's "New Dealism" was designed to save the tottering Capitalistic structure at a time when it should have been decently buried. Had he permitted it to die a natural death we might have been spared World War II as well as the current opening skirmishes of World War III. His financial "shots in the arm" with funds filched from the

pockets of the American taxpayers and redistributed to the Wall Street gangsters in the form of profits-through-taxation, provided minimum subsistence levels through "made work" but started the United States on the road to bankruptcy. At the same time it built up a parasitical, duplicating, wasteful governmental bureaucracy. Today that bureaucracy has a hold on the economic jugular vein of the nation, is blocking any freedom of activity of the small business man, and is building up Big Business. It constitutes a "welfare state" for the "welfare" of the Money Monopolists rather than for the people.

Technocracy: Two wings of a new socio-economic philosophy grew out of the economic turmoil of the Great Depression, the first known as the Continental Committee, made an exhaustive research of the economic potentialities of the United States at that time, which was published as "The Chart of Plenty." This group approached the problem of economic reorientation from the point of view of American liberalism, and contemplated the application of its philosophies through political action. The second, organized as Technocracy, Incorporated, met the same issues of technological reconstruction, but emerged with a structure of potential dictatorship under one man, and advocated the control of the national economy by a technological "elite" which would result in disfranchising large masses of the electorate, and rejected political action.

The efforts of these two groups will prove to be of great historical significance. These movements grew out of our own soil, grappled realistically and

intelligently with the urgent problems of technology and its application to an economy of abundance, and were intellectually honest in cutting loose from the profits incentive - the "price system" as they called it. Their educational value is incalculable, for at one time hundreds of thousands of intelligent Americans worked within these organizations, and helped to establish a new pattern of social and economic thought. They constitute a leavening in the mass, and if reactivated on liberal foundations could well play a dominant part in the coming era of economic reconstruction.

Townsend Plan: Worthy and urgent as were the ends proposed by this plan for the benefit of our senior citizens, from the standpoint of economic theory it was a proposal for the application of the hypodermics of New Dealism for the benefit of a special, though needy, group. It followed the theory that a shot in the arm of billions of dollars spent for this group could, within the profits incentive, revive the entire economy. This view persists in spite of the failure of the expenditure of hundreds of billions for like objectives in the hypodermics of war.

Henry George "Land Tax:" The "Henry Georgers" undoubtedly know more about taxation than any other group in the United States. As long as we must have a taxation system, their proposals merit fullest consideration in this area. Although their proposals might do much to ameliorate economic conditions, they must prove ineffectual in the long run, for they are designed to function within the profits incentive in production and distribution. Indeed, the "free en-

terprisers" have come to rely heavily upon the Henry Georgers to save them from themselves. A futile hope, for these concepts deal with but one symptom of the disease, and do not strike at the disease itself - the collapse of the profits economy.

Monetary reform: Certainly the first act of an informed, constitutionally-minded citizenry must be to reassert the authority of the people and of Congress over the monetary system of the country, fraudulently abdicated into the hands of the private corporation of the Federal Reserve Banking System by crafty politicians. The money racket of the Big Money gangsters must be broken up. Andrew Jackson and Abraham Lincoln gave them the fights of their lives and whipped them momentarily, but that campaign still remains to be fought to a finish.

Nevertheless, the Monetary Reformers, too, attempt to compromise with the profits incentive of production and distribution. They would try to reform from within, generally hold to the theory that a restoration of the monetary system to the control of Congress will, of itself, restore to health the entire economy, and thus, like the Henry Georgers, deal with but one symptom of the disease and do not get to the disease itself.

Most of these proposed solutions have one characteristic in common - they "look backward" to a dead past or to great writers long dead - to Karl Marx, or Henry George, or Silvio Gesell, or Edward Bellamy. Admitting that each of these was a mental giant in his own time and that each had much to contribute to the progress of economic theory, and how "right" each may have been under the conditions existing at the

time, they must be necessarily "wrong," certainly in part, under the drastically changed conditions of to-day. Even the most prophetic could not, at that time, visualize the full impact of modern technology upon society.

Without condemning any sound idea surviving from the past in the proposals of these great thinkers, and using freely any proposal which may suit our purposes, it is the part of wisdom to turn our eyes to the future, and work out our own design to accomplish our assigned mission, under existing conditions, within the traditions and national institutions of the American people, and projecting our planning as far into the future as practical considerations will permit.

CHAPTER FIFTEEN

Restatement Of Mission

WE have now cleared the decks, and are ready to apply ourselves to the problem of finding an answer to the \$64 question: "How are *you* going to do it?" Before we do so, however, let us take another brief look at our mission to remind ourselves what we are trying to accomplish.

Our national mission, stated broadly, is to preserve all of the principles written into our Declaration of Independence and all of the rights of man as summarized in our Constitution and in the word "democracy" in its generally accepted meanings; to assure a life "more abundant" - economically, socially and morally - not for a favored few, but "to promote the *general welfare*" as prescribed by the Preamble to our Constitution; to make possible a greater growth in-

tellectually and spiritually as individuals and as a people. With the abundant means at our disposal it should be a simple matter to accomplish this broad *mission* practically.

These are some of the detailed objectives:

(1) *Production and distribution for use:* We must separate ourselves, once and for all, from the domination of the incentive of production and distribution for *private profit*, and substitute an incentive of production and distribution for *use* - to "promote the general welfare."

(2) *Non-violence:* Any resort to violence, either nationally or internationally, must be rejected because it defeats its own purpose and must end in disaster. Nationally it would mean a cutting of the flow lines of production and distribution which could be restored with difficulty. In the interim, with supplies of food and other necessities of life exhausted and not replaced, terrible suffering would ensue for the entire population, emotions would rise, and blood might flow in our streets. Those who advocate a "revolution of the proletariat" are criminally irresponsible. If those who dominate our politics and our economy stand across the path of change, reliance must be placed upon educational, moral, non-violent techniques, on the order of those used by Mohandas Ghandi, but modified to meet Western concepts. In the final analysis the people have always cast the final vote, even in absolute monarchies. They are still the "sovereign people" in the United States, and if united on a course of action must inevitably gain their ends.

(3) *Constitutional transition*: It must be our purpose to preserve and defend the Constitution of the United States, though at the same time providing for necessary amendments to bring the social controls established under the Constitution abreast of technological advances. The basic principles of human justice and freedom established under our inspired Charters of Liberty constitute our protection for to-day and our promise for the future. They are inviolable - in the very roots of human existence. We must extend their operation into the economic field, and hold them in trust for posterity.

(4) *Economic Democracy*: We lose faith in democracy because it seems to have failed us, and trifles with thoughts of men on horseback. The failure is not in the concept itself, but in the manner of application. That faith must be revived if we dare hope for freedom.

We have witnessed the development within our country of a state within a state - an economic absolutism set within our political democracy and dominating the political order. The unconstitutional "cuckoo birds" of economic absolutism have laid their eggs in our political nest and expect us to hatch them out for the benefit of the Money Monopolists. We must find a means of driving them from our nest, and of extending democratic techniques into the economic field.

These are the road markers which give us our direction of march!

CHAPTER SIXTEEN

Democratic Structure - The Holdridge Plan

THE problem is *DISTRIBUTION!*

We have solved the problem of how to produce abundance. We have failed to solve the problem of how to assure a flow of that abundance back to those who have helped to produce it. Science and technology have already caused an amazing economic revolution, and even now are poised to take off into a stratosphere of development limited only by our imagination. But the techniques of social science which have been applied to translate the results of that revolution into human values are the relics of a social "dark ages," and are not designed to transform scientific progress into social expression.

This is the key to our problem - *to bring our social science techniques abreast of those of the phy-*

sical sciences. Coupled with this is the corollary that we Americans insist that any social design suggested to solve the problem of scientific distribution must be in harmony with the basic principles enunciated in our Charters of Liberty, and must function democratically under the control of the "sovereign people" but from the bottom up, not as a dictatorship or bureaucracy from the top down.

The point has been stressed that under no plan of national administration, either presently in operation or proposed by reform groups, are both political and economic *democratic* control provided. Either in one area or another, or in both, control is centralized, operating from the top down, as a vested interest of some minority, privileged, bureaucratic elite. Control has thus centered at the apex of the triangle instead of at the broad base of the population. *That control must be reversed within the triangle*, and be established at the base.

Another basic principle of sound administration which must be applied is that of *decentralization*, of local autonomy, coupled with *coordination* at all levels. This requirement is at the heart of the problem of "States Rights."

With these principles in mind, and remembering our stated mission, let us proceed to work out the details of our problem.

To borrow again from Army procedures which have validity in such practical situations, we remember that when any new organizational problem arises it is solved by two techniques:

(1) The preparation of an organizational chart - a blue-print - showing the functional set-up of the new administrative structure, and

(2) The preparation of a "Standard Operational Procedures" (S.O.P.), explaining the functions of each element of the blue-print, and the functional relationships of the several elements.

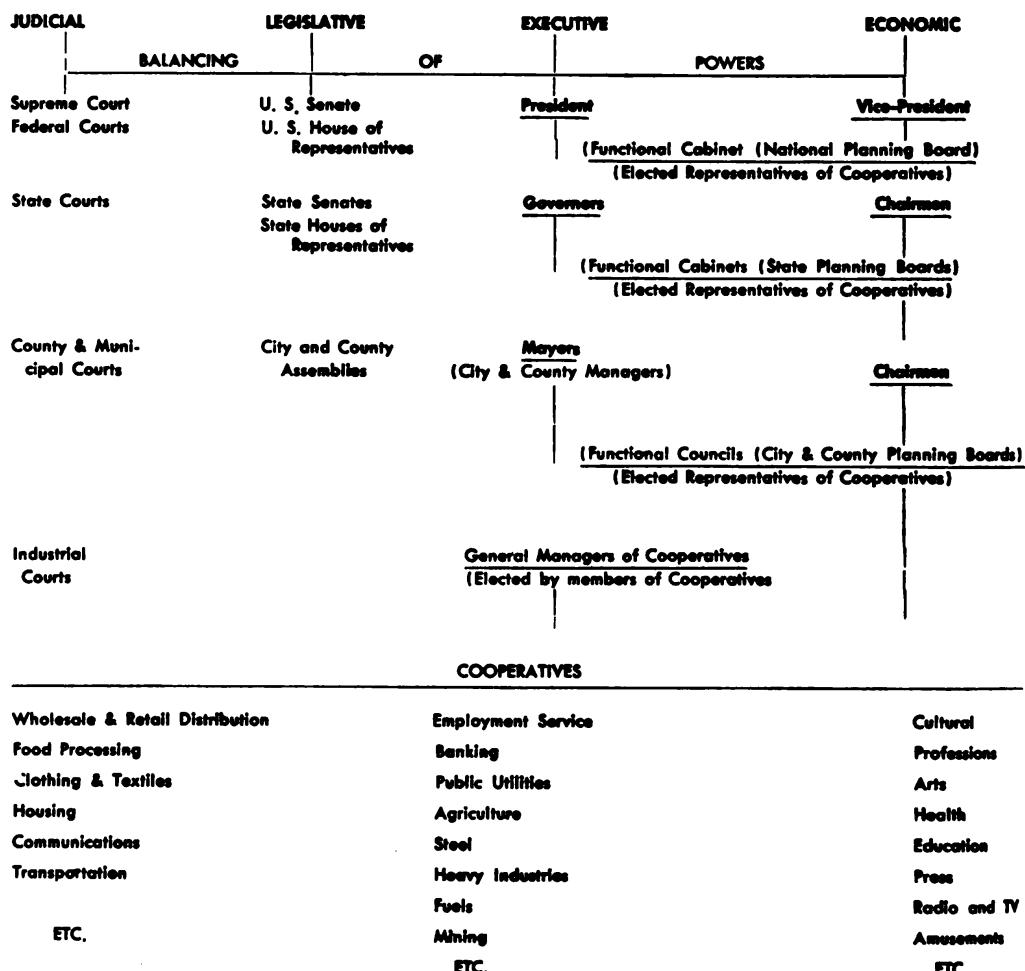
Let us apply these two techniques to our administrative problem covering a new system of production and distribution for *use*, but reversing control from the top to place it at the bottom. Military solutions must necessarily function practically and effectively on a global basis. Our own administrative structure must function internationally as well as nationally.

-DEMOCRATIC STRUCTURE- FOURTH BRANCH OF GOVERNMENT

As we tackle the problem of economic reconstruction we are aided by a fortuitous historical development. We remember that our Founding Fathers established a three-functional governmental structure - Legislative, Executive and Judicial, but through oversight or design, neglected to provide democratic controls over economic functions. This oversight left a power vacuum which must be filled, and was then filled by the emergence of an economic Dictatorship of Big Money, so powerful as to dominate the democratic political structure, and in fact, our entire society.

Here we find a favorable starting point. We have merely to correct that oversight, dethrone Big Money,

ECONOMIC DEMOCRACY
(DESIGN FOR ABUNDANCE)



(NOTE: All technical leaders must establish eligibility for positions to which elected or selected, by demonstrated ability, training and rigid tests.)

and fill the vacuum thus created by providing means for restoring control over our economy into the hands of the "sovereign people."

To accomplish this end we provide, *through legal action and by constitutional amendment if necessary*, a *FOURTH COORDINATE BRANCH OF DEMOCRATIC GOVERNMENT* - the *ECONOMIC*, with a balancing of powers between the former three branches and the new fourth branch. Our present government can be described as a representative, democratic, political Republic. By adding the *fourth coordinate branch* we transform it into a *representative economic democracy* - an economic as well as a political Republic. To give our proposed structure a label, we propose to form a democratic, political and economic *cooperative commonwealth*.

The proposed *structure* can best be understood by reference to the proposed organizational chart - the blue-print - presented on Page 94. The chart shows the proposed new branch, and its relationship to the other three. It depicts an organization for a free, democratic, economic cooperative commonwealth. The essentials of the present three-functional government are not disturbed, and are modified only as necessary to balance the functions which must be met. We work *within the framework of the familiar*, merely redefining the separation, the balancing, and the interrelationships of functions to include the *fourth branch*, - the *economic*.

ESTABLISHMENT OF PROPOSED "BLUE-PRINT"

Assuming that the people had made the decision to establish the proposed administrative structure,

either by popular referendum in a sudden emergency, or by constitutional amendment, the Executive Branch would become responsible for necessary procedures to form the structure legally. It is suggested that this should be done, not by bureaucratic action as was done under the National Recovery Act, which made General Johnson an economic dictator, but by the people directly concerned with the economy.

The national economy falls naturally into a dozen, more or less, major industries and occupations, each of which would be formed into an *occupational cooperative*. The major part of the economy would thus be established on a nation-wide, cooperative basis, although flexibility would readily be established for exemptions in special cases as will be outlined below. The principles already established in labor unions, cooperatives, professional guilds, farmers' unions, etc., would be applied, so that no new sweeping changes need be present within the structure.

Within each industry, or cooperative, thus formed, outstanding leaders would be selected from management, labor, rank and file, etc., by democratic ballot of members of such occupations, and formed into an organization committee. Each committee would undertake the detailed task of analyzing the special problems of that industry or occupation, within the broad national objectives previously established, and would then present its practical solution to the Legislative Branch.

The proposals of the several industries would then be consolidated and interrelated under the su-

pervision of the Legislative Branch, aided by technically-qualified personnel, formed into a central committee composed of representatives of each of the industries and occupations, and would then be submitted to Congress for approval. When so approved, the new branch would commence to function legally.

By such democratic action the *economic branch* would be established by mandate of the people themselves, and operational procedures would be worked out by those employed in the various industries. The proposal *would not* be imposed "by order," by ignorant bureaucrats through dictatorial action.

CHAPTER SEVENTEEN

Standard Operating Procedures

LET us now analyze, step by step, the functional relationships of the administrative elements depicted in the "blue-print."

Balancing of powers - Legislative and Economic:

The Legislative Branch would continue to function much as at present, having jurisdiction over civil activities and the police powers of the state. Eventually a single body should be provided instead of the present duplicating House of Representatives and Senate. The Economic Branch would probably eventually become the more popular branch, as being closer to the people.

The primary economic function of the Legislative Branch would be to establish, by popular ballot, the broad economic policies of the country, based up-

on research presented by the Economic Branch. Proposals of reform groups which place total control in the hands of the workers or of a technological elite would, in an economy of abundance in which only a small minority would be constantly employed, serve to disfranchise great masses of the people, and separate them from decisions relating to their economic welfare. By giving the people power over the major *economic policies* through the democratic operation of the *Legislative Branch*, this monopoly of an economic minority would be broken.

It would be quite feasible, under our modern means of communication, education, and technological progress, to establish techniques verging on pure democracy such as has never been achieved throughout the history of the world. It would be possible, for example, to present to the citizenry all sides of any issue, by means of a free press, radio, and television. Through the application of the International Business Machine punch card system, it would be possible for each voter to mark a card ballot with a pencil, and to total the result for the entire nation in a matter of a few hours. Thus, the broad base of the population would be in constant touch with economic developments.

The broad policies having been determined by all of the voting population, the *Economic Branch* would then be responsible for carrying these policies into practical effect, under the supervision of those technically qualified to perform this highly specialized function.

Judicial Branch:

No major change would need to be made in the Judiciary, except to add Industrial Courts whose purpose would be to assure economic justice. Political justice without economic justice is meaningless. The membership of the Industrial Courts might well be chosen from among "elder citizens" who have retired from active occupation, but who would be familiar with industrial relationships. The entire body of commercial contracts would, of course, become obsolete, and a new body of economic relationships would become necessary.

Executive Branch - The President:

We would need to make no material change in the status of our Chief Executive, except to regroup executive functions under his *responsibility* for co-ordination, but to decentralize functional *operations* into the hands of elected representatives of the people working in the Economic Branch. During the days of the "New Deal," and later under the pressures of World War II and of the Korean War, government bureaucrats were faced by circumstances over which they had no control, to exercise vast powers over the national economy for which there was no specific authorization and for which they had little training. The duties of the Executive Department thus became top-heavy, inefficiently performed, and the cause of endless aggravations throughout the country.

We must recognize the realities of the situation, understand that these functions *must* be performed by

someone, and then legalize the status of the Chief Executive as coordinator of both economic and political functions. At the same time, we must redistribute detailed *operations*, decentralize them locally, and place them upon the elected representatives of the people who are qualified technically to perform these functions. Thus we break down the power of the Washington bureaucrats, and eliminate endless waste, duplications, and "Snafu".

The Vice President:

The position of the Vice President should be materially altered. Instead of being a figurehead as Chairman of the Senate, he should become the Chairman of the democratically-elected *National Cabinet* - or National Planning Board, and should be selected because of his broad technical experience as well as for his administrative ability. The position would take much of the burden from the shoulders of the President.

The Cabinet - National Planning Board:

The designation "planning" is used with hesitation because it has been propagandized as being synonymous with concepts of the "corporate state." However, a new vocabulary is not readily available, and if we remember that we are considering a *function* which *must always* be performed, and that the control over this function will rest in the hands of the "sovereign people" and not in the hands of bureaucrats, we should not be caught in this semantic trap.

The term "planning" has become a "bad" word

through the propaganda of Big Money. It is legitimate, presumably, for Big Money to "plan" how to defraud the people, or to manipulate a depression, or to start international war, but let the people speak of planning for the general welfare and these same individuals start screaming to High Heaven. There is nothing wrong with *planning* as such. The *purpose* and *method* of planning are the important things.

The *purpose* of our planning would be to fulfill the constitutional requirements "to promote the general welfare," not to earn profits for Big Money. Each "planner" would be elected by his own co-operative, and would be assisted by *elected* representatives of subordinate industries grouped within the respective cooperatives and all of the individual *planners* would be technically qualified to perform this function. These planners would have access to the best technological advice from administrators, technologists, scientists, engineers, economists, social scientists and statisticians, to help in the work of top-level planning. Methods would be scientific and accurate, not by rule-of-thumb and crystal-gazing, as at present.

State Control:

The functions of the Governors of the states would not be changed materially except that they, in like manner as for the President, would become economic as well as political coordinators of state activities. In order to provide the necessary decentralization of function for efficiency of administration, recognizing the value of local patriotism and *esprit de corps*, and recognizing the need for working within

the framework of the familiar, the state and local political structure would be strengthened, rather than diminished, through decentralization of economic functions, on the policy and coordinating level, to these lower echelons. These economic functions would be coordinated at the state level by reorganized state *cabinets - state planning boards* - composed of members *elected* from each of the cooperatives existing within the state.

States Rights:

Under such decentralized economic functioning we shall find a solution for the pressing problem of "States Rights," which is a burning issue in our South. Political decentralization which is now agitated so urgently by the southern states, is meaningless without economic decentralization. As long as Wall Street monopolists are in a position to veto every political decision, state as well as national, "States Rights" must continue as an unfulfilled dream.

Mayors, (City - or County - Managers):

In order to assure efficient, coordinated, economic functioning, a general manager would be elected by each local cooperative. The general managers would be the key individuals within the economic structure. On the one hand they would act as economic advisors to the mayors or city and county managers. On the other hand they would be responsible for actual production under the national plan as determined by the people themselves.

The general managers of the local cooperatives

would be the administrative coordinators for their cooperatives. They would be responsible to their membership for the working status of the workers, for reclassifying them in the wage schedules of the cooperative, for certifying them wages and salaries for their labors to the cooperative banks, and for regulating the various details of their technical relationships with the industry.

Conclusion:

The broad structure as proposed for the Economic Branch would constitute *management* of the reconstructed economic order, not by agents of the economic oligarchys as at present, but by representatives elected by those engaged in the various occupations, carrying out the policies determined by the total voting population. No new techniques have been added. All of these functions are already being performed, most of them very inefficiently and all of them directed toward the one end of earning profits for the Money Monopolists instead of for the benefit of the people. These chaotic, anti-social methods of control have merely been simplified, regularized, and vested in the "sovereign people" and with those technically qualified to fulfill the mandate of the people. This is an extension of *democracy in action* into the economic as well as the political field.

CHAPTER EIGHTEEN

Economic Democracy In Action

The Workers Organized

LET us carry our functional analysis one step farther, and consider in greater detail the broad base of economic control - the workers themselves.

The purpose of reorganizing our economic structure is to release to the technical control of the workers the industries they have created and in which they are employed, and to enable them to direct their efforts, through democratic processes, to promote the general welfare. At the present time the workers have been completely dispossessed of ownership or control over the industries in which they are occupied, and live by suffrage of Big Money which holds a monopolistic control over the national economy. American workers are as completely dispossessed of ownership of their industries as the peas-

ants of France were dispossessed of their lands at the time of the French Revolution, and lived by suffrage of the Nobility and higher Clergy who held a monopoly over the land.

In modern industry the part of each worker is reduced to a few mechanical motions, which - coupled with his lack of sense of participation in a social activity - destroys his initiative and his pride in craftsmanship, and reduces him, during working hours, to a mere automaton.

Even when organized into labor unions, the chief purpose has been to fight Capital for a share of the spoils of war, and not to stimulate either quality or quantity in production, or to protect the welfare of those who are not fortunate enough to be employed at all, or who are not organized to fight for themselves. Our labor world has been as anarchistic, as bureaucratic, as dictatorial, and as selfish in its fundamental characteristics as Capital itself, and is merely the reverse side of the same capitalistic coin.

By establishing the broad humanitarian purpose of production and distribution for use and abundance and to promote the general welfare, and by releasing industry into the hands of the workers engaged in them, selfish motivation at the top will be removed and the workers given a new sense of ownership and of the significance of the individual in the cooperatives in which they are employed.

From the standpoint of the Labor Unions, the proposed plan of economic reconstruction would give them "all this and Heaven too." In a sense the co-

operatives would become *their* cooperatives, which they would operate under the mandate of all of the people in order to achieve predetermined objectives.

Democratic Control in Cooperatives:

It is proposed that all workers employed in any industry, regardless of the kind of work, automatically become members of the cooperative of that industry, and cast their ballots for the election of the technically qualified representatives who will have their mandate to direct the operations of that cooperative. Each cooperative would function as a modernized "Town Meeting," voting by occupation, and within the cooperative, to elect its representatives for all echelons of economic control within the Economic Branch. *All of the voters*, and not merely the workers, would, however, vote for those charged with territorial coordination - mayors, or city or county managers; governors, the Vice President and the President - and for the determination of *economic policies* as already stated.

It is important to note that in Russia the voters at the lowest echelon elect representatives for the next higher echelon of control; these in turn elect from their smaller number representatives to the next higher echelon of control; and so on up until a group of about 20 individuals elects the Premier. Candidates are selected largely from the Communist Party, or with its approval, thus throwing power into the hands of this minority group. It is this faulty system of party control and restricted franchise which opens the way to much of the power of the Russian dictatorship, for the Premier is responsible to so small a group that he is able to control it. He is not respon-

sible directly to the broad base of the Russian people. Under our proposed *economic democracy*, on the other hand, the representatives of the Economic Branch are, at all echelons of control, elected by their constituency at the broad base and are responsible to them, thus preventing centralization of power.

Technical qualifications:

Only those who have established their technical qualifications, by training, and experience, and demonstrated ability, as determined by rigid tests, would be eligible for election.

This is a primary requirement. It would be fatal to try to operate our highly technical, integrated economy with amateurs or "politicos." The names of those eligible to hold various technical positions would be carried on eligibility lists, or registers, for as many positions as they were qualified to hold. Selection would be made finally through democratic techniques, from among those eligible.

It should be noted that those engaged in the various occupations would have the opportunity to vote *twice*, once in determining the broad national policies (which should give them a broader sense of personal responsibility, for this vote would be largely as a *consumer* instead of as a *producer*), and again within their cooperatives in selecting their technical representatives who are to be charged with carrying those policies into practical effect.

The members of the local cooperatives - to repeat - would elect their representatives of their occupations at all levels - their local managers, their

representatives on the city and county councils, their representatives on the state Cabinets, and finally their representatives on the national Cabinet.

Members of the present cabinets, and generally of such advisory councils as exist, have been appointive - bureaucracy in action. Under the proposed plan they would hold their positions at the will of their electorate. This would be another important step in the direction of democratic control.

Free Labor Force:

One of the first of the cooperatives to be formed would be a reconstructed United States Employment Service, to aid every worker to find the employment desired and for which he was best suited. This service would cooperate with the national educational program, one of whose major purposes would be to determine the aptitudes and interests of our youth from an early age, through scientific psychological tests, and then assist each individual to find his best means of learning and of self-expression within the educational system, until he is ready to take his place in society. At the present time, as an easy guess, probably not over 25% of our workers are doing the work which they wish to do or for which they are best qualified. Through scientific placement methods each individual would be assisted in finding his way into his chosen and most effective occupation.

Our major asset has been the potential of our youth, which has heretofore been largely wasted. The only way to permit our young people to contribute effectively to the general welfare is to aid them to

find work which they are qualified to do, and desire to do.

For those who are particularly gifted, each co-operative might establish laboratories for the investigation and development of new techniques, as is now done by some of the more advanced corporations such as Westinghouse, whose purpose is to outdistance competitors, and to make profits. In such an environment, freed from the restraints of the profits motive, and themselves economically secure, our boys and girls of genius would be released to express their talents to the maximum for broad humanitarian purposes.

Worker-Management Relationships:

Under the Economic Branch new techniques for worker-management relationships would become necessary, on the one hand to protect the rights of the workers, and on the other to assure that elected managers have sufficient authority to assure efficient functioning.

The primary protection of the workers would be their authority to elect and reelect their managers. A further check would be the term of office. Elections would be held periodically to assure that the position did not tend to become a vested interest of the individual. Furthermore, special elections might be called at any time, under suitable restrictions. Another safeguard might be the power of impeachment of certain officials for illegal or tyrannical acts.

An important means of protecting the workers would be the *Industrial Courts*, to which they might

appeal, particularly in connection with classifications in the wage scales, in restraints on superiors from discriminations, and in other employee-management relationships. It may be noted that the workers enjoy no such protection under Big Money, except to a degree within organized labor, but are often discharged at the whim of a straw boss.

One of the most effective means of assuring sound relationships between workers and managers would be through scientific selection of the leadership under the Economic Branch. At the present time their selection is based largely on their ability to contribute to the earning of profits, and apart from any broad social responsibility. Nepotism, personal favor, bribery, accident and other factors not contributing to their value within the social order, affect their selection. Basically, they must stand with management - with Big Money - against the workers in the ever-present situation of economic civil war.

Under the proposed system our leaders would be selected according to ability, and also according to their social outlook. The whip-lash of profits would be removed from their backs as it would be from the backs of the workers. A climate of good-will would be established between them and the workers who have elected them.

The workers would have the assurance that their leaders were technically qualified for the positions held. Systems of technical schools might be developed within the cooperatives to train managers, administrators and technicians, which would be open to all alike. Those qualified by training as established by

practical tests would be eligible to have their names placed on eligibility lists. Managers would be restricted in their selection of appointees to those who had thus established eligibility. Every worker would be given an equal opportunity with every other to attend such schools and to qualify for managerial positions. All would have an opportunity to compete, democratically, for positions of leadership, and new blood would be recruited for management and executive duties, and *true individual enterprise, and true democracy would be achieved.*

Having, on the one hand, protected the workers against tyrannical acts of their managers, we must, on the other hand, protect the managers against transient whims of the workers. The managers would be too busy with their duties to engage in electioneering or in courting popularity. The efficiency with which they functioned would be their best safeguard.

All qualified managers should be eligible for re-election or reappointment indefinitely, with some few exceptions, thus giving assurance of recognition for contributions made to the common effort, and inducement to continue in such positions.

The Industrial Courts would be concerned with the rights of the managers as with the rights of the workers.

The primary safeguard for both workers and managers must be found through a major shifting of objectives. At the present time, under the profits system, an anti-social motive, based on the theory of man as a predatory animal, animates the entire social and economic order.

Thus far we have found no such common activation to promote the needs of society as a whole. Even in warfare, though the soldier under fire recognizes the urgent importance of fighting for his life as part of a team, his compatriots far to the rear, in the service or out, and for whom he gives his life, are often unable to interpret their own acts, their procrastinations and inefficiencies, in terms of life and death. It is only when the bombs start falling in their own midst that reality is brought home to them.

We can become excited about war only when we are in it, head over heels, ourselves. We can become interested in broad economic and social programs only when their effects are dramatized to us, directly and individually, as bearing on our personal welfare. In our highly integrated economy we must learn that we are, indeed "our brother's keeper," and that every economic defeat which forces mankind to lower levels must, in the end, injure each of us personally.

Under our Economic Branch the workers and managers would soon become aware of the fact that bad management and waste would add to their own hours of labor, increase their personal discomfort, destroy their peace of mind, and reduce their share of the total goods which becomes available for use. Every sin of omission and commission, on the part of either, would then assume a significance far more urgent and personal than the present profits motive with its caste differentiations. Now the worker is dispossessed from any share in the industry in which he is employed. A very *right* to work no longer exists.

Then he would learn that the industry belongs personally to each worker; each would become part owner and manager in his own right; each would insist that the business operate efficiently; and each would be willing to assume his share of responsibility for efficient operation, and for the selection of competent management.

It would become evident that individual good can come only from the good of all, and that from the practical point of view, their own selfish interests will best be served, first, by selecting competent leaders, and second, by abstaining from harrassing those they have selected, permit them to devote their full efforts to their responsibilities, and cooperate at every point of contact.

Cooperation, not *competition*, must be the keynote of the coming age. After long years of conditioning in the psychological violence of competition, we have much to learn of the techniques of cooperation. With the motives of selfishness and greed of the profits system eliminated, we should learn easily by "doing what comes naturally".

CHAPTER NINETEEN

Distribution For Use - Balanced Exchange

WE have thus far, in discussing the Economic Branch, considered the first problems of economic reconstruction - democratic structure and functional operation. We must still solve the important problem of *distribution*, which is the key to the entire problem. Structure and functional operation are merely means through which the ends of democratic control may be achieved. Capitalism failed because - although it succeeded, through the application of science and technology, in solving the problem of production - it was unable to solve the problem of how to distribute that production equitably into the hands of the people. This is the fundamental reason for the establishment of a new design of distribution. We must find some other method of *distribution* to replace the archaic, anarchistic, anti-social profits motive.

We propose a system of *production* and *distribution* for *use*, not profit, operating through a *balanced exchange*.

Considered from the standpoint of society, what other purpose for production and distribution could there be than that of *use*? Even Capitalism outwardly contends that social purposes are fulfilled indirectly through the operation of its profits incentive. That contention has been proven false. We must adopt practical, sound, administratively intelligent methods pointed *directly* toward the achievement of social ends.

A primary requisite is that we establish a *balanced exchange*, that is, one in which the total *purchasing power* is equal to the *total prices* charged for goods and services to be distributed, and that that purchasing power be apportioned equitably so that each member of society shall have access to the stock pile of goods and services produced, *with purchasing power in proportion to his contribution toward promoting the general welfare*.

We shall find a practical solution for our problem by establishing a modern technique for *barter*.

Everything that we produce can be defined, in final analysis, in terms of labor - of human effort - either mental or physical, exerted in industry, on the farm, in the arts or professions, or applied to our natural resources with the aid of technology.

In the days of the cave man each one lived or died according to his own efforts. The barter of later peoples was, in effect, not so much the exchange of

goods as their labors measured in terms of goods, even though that labor might be no more than picking nuts off the ground.

The profits system, in theory, presumes the barter of labor, but in practical effect requires everyone to pay a *sales tax* of profit on every transaction which involves the product of his own, or of his fellow-worker's labor. The withdrawal of this tax of profits from the economy into the hands of those who cannot consume more than a small fraction of it, withdraws this considerable sum from the consumption market, overthrows the balance between total costs of goods and services, and total purchasing power, and thus results either in vast quantities of goods not being purchased at all, or purchased through a sweeping system of deferred-payment marketing with payment postponed to the infinite future.

To restore this balance we must provide equal factors on either side of the equation: Costs of goods and services = Purchasing Power. Obviously, there can be no equation unless this is true.

On one side of the sign of equation we propose to provide a budget of goods and services to be produced. The National Cabinet (National Planning Board), would be responsible for preparing the details covering the planning of this budget - in raw materials, production plant, and man-power - acting in accordance with policies established by the electorate of the country. Such planning would cover the production and distribution effort over successive periods of years.

It is self-evident that if we converted our total war effort in man-power and materials, and our wasted potential and duplications in every economic field, to socially useful purposes, we could easily establish a total annual budget of as high as four hundred or five hundred billions of dollars, according to present standards, thus guaranteeing abundance for all (an average family income of over \$10,000 per year).

This total production of consumers' goods and services would then be broken down, with price tags affixed for individual items, whether for a pound of coffee, a pair of shoes, an automobile, or any other product. It would be wise to commence with current rates until the program is under way, and make necessary modifications later on.

We turn now to the other side of the equation - distribution of purchasing power. The total sum provided under the budget of goods and services would be likewise established as the total budget for purchasing power. A minimum income could readily be assured of not less than \$5,000 per year for everyone employed.

Three major categories of individuals must be provided purchasing power: (1) for young people in advanced school years in high schools, technological schools, or college; (2) for our elder citizens whose services would no longer be necessary in industry; (3) for those actually employed.

For the student group a fixed income for each might be provided, as is now done at West Point and Annapolis, adequate to maintain them while they are

undergoing training. Their services would probably not be required in industry until the ages 20-25, and in the meanwhile they would be attending school under a system of complete democracy in education. Since they would be preparing themselves to serve society they should be freed from their parents' apron strings and made economically self-sustaining.

The same principle would be applied to our elder citizens, to widows with children, and to those otherwise incapacitated. It is suggested that these would receive not less than the basic income of \$5,000 per year, increased to the sum which they were receiving when last employed, issued to them as "retired pay" as is now done in the Armed Services which, however, suffer an approximate 50 per cent reduction from their active duty pay. Our economy could well afford to continue the full amount. If it is a good thing for members of our armed services it is also a good thing for the people as a whole - "retirement," not "old age pensions," or "social security," or shameful "charity." All of our elder citizens would thus continue as economically independent members of our society to the end of their days, and with the fear of economic insecurity removed, they may well live to be 150 years old. These should be the years for their fullest expression and greatest individual freedom.

We now turn to those actually employed in the cooperatives, producing either goods or services, *and including housewives who should receive individual incomes, thus being freed from the economic domination of their husbands.*

Pay schedules would be established within the cooperatives, starting with rates as now in effect, but corrected later to meet practical considerations. It might be necessary, for example, to pay a garbage collector (if we shall need garbage collectors) more than we pay a concert violinist. Rates between the various cooperatives would be substantially at parallel levels, until adjustments became necessary later to compensate for extra hazardous labor. A *minimum* pay would be established, as already suggested. A *maximum* rate should also be established at such a level as might be determined - say \$25,000 as once recommended by Franklin D. Roosevelt, or \$50,000, or even higher if society so determines, *but not higher than could be expended intelligently*.

It would no longer be necessary to maintain savings accounts, or insurance policies, or other "securities," for the ends toward which these are directed would be achieved under the plan. Neither would there be need for inheritance, for each child would have equal opportunity with every other, and over-all security would be the major purpose of the economy.

Under the salary schedules as thus recommended *material incentives would be retained* as inducements for proficiency. Any increase in responsibility would carry an increase of, say, \$1,000 - \$2,000 in salary annually.

The "equalitarians" may protest against wage differentials, insisting that all men are equal, need, and should receive, equal amounts, and that under an economy of abundance which might eventually be able

to maintain incomes at purchasing levels of as much as \$25,000 per year for everyone, differentials become meaningless. A good case might be made for such arguments eventually, but certainly in the beginning, the psychological outlook in the country would not tolerate equal incomes, for example, for the President of the United States as for a field hand in Mississippi. From the broad, practical point of view it is essential that such differentials be retained.

Distribution of wages and salaries, of *purchasing power*, would be made to all who contributed to the general welfare: workers producing capital goods, those producing consumers' goods, scientists, technologists, white collar workers, artists, musicians, educators, entertainers, those employed in public utilities (police, military, water supply, sewage, public transportation, etc.). As already stated, however, the *total amount* of such purchasing power must be exactly equal to the total prices established for the goods and services which are to be purchased.

The problem of balancing a total budget of consumers' goods and services, broken down in price tags for each unit, against a total budget of purchasing power, broken down into wages and salaries for groups and individuals, is a matter of simple arithmetic. The sums on either side of the equation sign would be equal. When all of the purchasing power had been spent, all of the goods and services would be *bought and paid for*, without the unearned increment - the hidden tax - of profits entering into the system of distribution.

By this method we shall have established the broad outline for a new, *profitless system* of production and distribution for *use*, designed to promote the general welfare.

CHAPTER TWENTY

Exchange - Functional

WE have now covered the "*what*"? of our plan of production and distribution. The question of "*how*"? distribution is to be accomplished remains to be clarified.

Three factors must be considered: (1) the monetary system itself; (2) the medium of exchange; and (3) facilities for distribution. Let us consider them in order.

The first essential of *any* program of reform or reconstruction of our economic order must be to return the banking system of the United States from the hands of the private banking racketeers, back into the hands of the people and of Congress, as provided by our Constitution. Stock of The Federal Reserve System would be restored to the public domain.

The banking system would immediately be organized as a national cooperative - the People's Co-operative Banks - the real "Banks of America" - functioning within and through a reorganized, democratically-controlled Treasury Department.

No interest would be charged, or paid, by the banks. They would become the administrative agents for keeping the books of the system. They would be responsible for handling all financial matters, public and private, and for keeping all financial accounts for the nation and the individual; for handling foreign exchange; and for auditing all accounts to assure that they were properly kept and that no fraud had been committed.

Under the proposed system nothing new has been added, except in motivation, from serving private interests for profit, to serving the people. All essential functions would be the same, and would be performed by personnel already engaged in the banking industry. New administrative techniques would probably be necessary, but these could be developed by the banking cooperative itself. Duplications could be eliminated and efficiency improved.

We next consider the medium of exchange to be used under the plan. Again we propose no sweeping innovations, but can use well-established procedures. We shall continue to speak of the American dollar, but behind every dollar will be actual goods or services already ready for the consumer, and not some fictitious, imaginary value written into it by the present banking racket.

By eliminating profits, and providing for production and distribution for *use*, we would, in effect, establish a new medium of exchange - the labor dollar, or labor *credit*. The total exchange media would be issued in the same amount as the total prices established for goods and services. In this respect the use of the labor dollar would be very similar to the practice of Federal Reserve Banks of issuing money on goods produced. For every dollar of cash, or script, or credit issued, corresponding amounts of goods and services would already have been provided. It is such goods and services, and not an imaginary value set upon gold - the archaic gold standard - or upon equally imaginary "water" or "credit" or "fountain pen money," which would become the national standard of value. Therefore, no problem would exist as to the amount of money to be placed in circulation.

Various kinds of exchange media with which we are already familiar, would be used. Script and coins would be necessary for small transactions. Personalized, non-transferable checks, similar to travellers' checks, would be provided. Most exchange functions would, however, be performed by the banking cooperatives as a matter of simple bookkeeping, through transference of debits or credits from one account to another.

It is important to note that such money would not *circulate* - that is, that it would not move from hand to hand. Ours must be a non-circulating medium of exchange, used but once. If a balance between total prices of goods and services, and total purchasing power, is to be maintained, every dollar in cash, or

script, or credit, *can be used but once*, and after that *single transaction*, must revert to the Treasury of the United States, otherwise the balance would be destroyed.

The third factor to be considered is that of actual facilities for distribution.

As has already been mentioned, the retail distribution agencies would be consolidated into cooperatives. Practically all goods would necessarily be purchased from these national retail cooperatives. Instead of having thousands of small, inefficient, duplicating, competing agencies as at present, there would be established in each locality, by the cooperatives themselves, large, central, retail department stores, which would function essentially as our present chain store system. Special stores would be established for special kinds of goods. Likewise, centers would be established for those furnishing services.

Personnel employed in such cooperatives would be paid through the distribution of purchasing power as provided under the plan, and not through earnings of the cooperatives, since no such "earnings" are contemplated.

The management of each store would requisition supplies from the wholesale warehouses established by the cooperatives, these supplies would be issued to the cooperative store without cost, but charged for accounting purposes against that particular store, and placed on the shelves, awaiting purchase at the discretion of the consumers.

We have now provided banking facilities, for exchange media, and for facilities of distribution.

In practical operation the system would function substantially as follows:

An account would be set up within the banking system for each individual entitled to purchasing power - to income.

Periodically, the management of each cooperative, or of administrative agencies responsible for the allocation of purchasing power to those not actively employed, would certify the purchasing power credit of the individual to the proper branch of the banking cooperative, where it would be entered under his account. Purchasing power would be non-transferable from individual to individual, each being required to stand on his own feet and survive by his own efforts. Graft would thus be impossible.

Likewise, each retail store would maintain charge accounts for all purchasers who so desired.

All purchasers would then be free to go to the retail cooperatives, or to the service centers, and make such purchases as they desired, *within their incomes*. Payments could be made by cash, or by check, or if desired, could be charged against the account of the individual. Charge accounts could be cleared periodically through the banks, where the total charges for purchases would be deducted from the bank balance of the individual concerned.

All payments received by the distributing agencies would be deposited to the credit of the Treasurer

of the United States, and amounts would be cancelled from circulation.

The need for cash would dwindle rapidly. For certain small purchases, however, such as street car fares (until these were provided free), restaurant bills, newspapers, etc., and for purchases outside the system, charge accounts would be inconvenient, and for such purchases the individual would still be able to draw dollars from his account at the bank.

It may easily be prophesied that before many years, under an economy of abundance making maximum use of technology, it will be possible to visit a neighborhood cooperative store, fill the baskets with everything needed, and not be required to make any payments whatever for the supplies obtained.

The requirement that our medium of exchange cannot be used more than once for purchases within the system presents no major difficulty. National distribution agencies would have no need for currency, since all goods would be received upon requisition from the system without monetary charge, but only for a bookkeeping charge, and all labor employed within the distributing agencies would be paid through the operation of the distribution of purchasing power and not through earnings. Therefore, if purchases were made from distributing agencies and paid for in cash, the cash so received would be returned to the Treasury, and used for the one transaction. If payments were made through charge accounts there would be but one bookkeeping entry involved in a single transaction.

We have agreed that provision should be made for certain individuals and groups to be excluded from the national production and distribution organizational cooperatives, should they wish to do so. Professional men, artists, domestic servants (if any), the clergy, and others rendering services instead of producing goods, might be among the excepted groups. They would be permitted to set up accounts in the national banks from funds received from others either within or without the system, and would be permitted to purchase goods from the system. This concession would not violate the operation of the limitation that the medium of exchange must be used but once for transactions within the system. If payment for goods or services is made by a member of the system to a non-member, such member deprives himself of his option to purchase his share of the goods or services produced within the system in order to purchase goods and services produced outside the system. Regardless of how often the currency changed hands for exchanges outside the system, it must eventually return to the system to purchase goods or services produced by the cooperatives. When such purchases are finally made, the purchaser outside the cooperative system exercises the option of which the member deprived himself. The moment the currency comes into contact with the system through any of its agencies, it must again be taken up by the banks, and again a single transaction will be completed in the barter of goods and services *within the system*, and again the limiting condition is satisfied. *No profits would, however, be permitted anywhere within or without the system.*

By the process of accounting for transactions

through the People's Banks we have reduced our problem of exchange largely to a matter of bookkeeping — a national charge account system, with credits representing wages and salaries, and with debits representing purchases, all accounts becoming paid in full periodically. *Very simple!*

By these measures we shall have provided for a new method of production and distribution for *use and abundance*, "to promote the general welfare," to replace the outmoded system of distribution through the incentive of profits. We shall have established:

- (1) A national system of producer-consumer co-operatives, democratically controlled by the "sovereign people," the joint property of our entire society, operating under an Economic Branch of government, within the structure of our Constitution.
- (2) Administrative techniques for decentralized political and economic planning, democratically controlled, with a balancing of functions between the Legislative, Executive, Judicial and Economic Branches.
- (3) Administrative techniques for training, and for evaluating the labors of a free labor force.
- (4) Techniques for bartering the products of the labors of the workers, within our highly-integrated economy.
- (5) Pay schedules into which workers may be fitted according to the importance of their contribution to the general welfare.
- (6) A system of establishing purchasing power for those below, and above, normal working years, and for

those unable to participate for adequate reasons.

(7) A constitutional banking system, controlled by Congress and by the people, not by financial racketeers.

(8) A non-circulating medium of exchange, and

(9) An economy of *abundance* which will remove forever from the consciousness of the people, the spectre of economic insecurity.

CHAPTER TWENTY-ONE

Foreign Exchange

OUR system of foreign exchange must be correlated with our new Economic Branch. This is a simple problem.

The requirements of production of goods for use in foreign trade would be a responsibility of the National Cabinet (National Planning Board). International trade would become a matter of barter. The total amounts of goods which must be produced abroad for a particular period, and the amount which must be produced locally to be shipped abroad in repayment, would be determined. For example, fifty thousand automobiles might be manufactured above the domestic needs and shipped to Brazil in exchange for the coffee we need.

Foreign trade would thus constitute a *balanced exchange* between nations. The iniquitous concept of a "favorable balance of trade" which constitutes exploitation of one people by another, would disappear. Foreign trade would constitute "value received" between nations, with just return to each. True barter takes place when individuals exchange articles to their mutual advantage. The same is true of trade between nations. Capitalism has choked foreign trade to death, creating insurmountable obstacles against nations eager to exchange their goods for ours, by imposing a hidden tax of profits on each transaction, and by the process of capitalization, chaining their economy to the Capitalist economy. The removal of the hidden tax of profits would free foreign nations, and would stimulate the free flow of goods across international borders.

The matter goes deeper. At present our Capitalist economy is determined to prevent the development of modern industry in all countries of the world. It throttles foreign industries in order that it may emerge as the major industrial power of the world. It has used our politicians as its cat's-paws, to drain billions of dollars from the pockets of our tax payers to be used as bribes to foreign nations under "foreign aid." Foreign nations have used these subsidies to buy the products of our industries, increasing their industries at our expense.

It has connived with foreign capitalists to exploit economically backward nations, to use them as sources of raw materials and as purchasers of the products of our industries, at the cost of remaining

forever under the domination of their Capitalist economy, and never being allowed to develop their own. British oil companies and our own, working in collusion, have, through the connivance of our politicians, prevented our technologists from going to Iran to help the Iranians to produce oil for Iran rather than for foreign capitalistic corporations.

Once we have established our own economy of abundance, with production and distribution for *use*, these causes of dissension would disappear. We would welcome the growth of the industries of foreign countries, could assist backward nations to construct and operate their own industries, could send our technologists all over the world to cooperate with the nations of the world, and could send supplies to disaster areas without need for repayment. We could do these things for our own selfish interests, knowing that the more goods that are produced throughout the world the better off everyone must be, either through sharing in such production, or in being relieved of carrying economic burdens due to foreign economic scarcities.

The issue is even more critical. Here, in international competitions between capitalistic nations, we find the basic cause of modern wars, causes which, if not checked, must lead to world annihilation through use of the atomic and hydrogen bombs. There can be no world peace until these causes are removed. Leaders of peace movements, who have followed blindly the leadership of the forces of economic violence, and who have hidden this skeleton in the darkened closets of their own consciences, please note.

Only under an economic order based on abundance

and on production and distribution for use, and directed toward economic justice at home and abroad, can a new world order of peace under international law be achieved. In the United States we have not been able to develop a sound international policy because such a policy must be founded on a sound domestic policy, and our domestic policy has been founded on the falsehood of exploitation under the profits incentive. If we are to attain a new international order - "Union Now!," or "One World," or a revived United Nations, or World Federation, it can be accomplished only if the United States, the last of the great Capitalistic nations, resolves the economic conflicts which lie at the roots of most of our international disagreements. By setting our own house in order we will have created a new, friendly climate out of which will, at long last, emerge a new era of world peace.

CHAPTER TWENTY-TWO

Eminent Domain

THE question naturally arises immediately as to how we propose to bring our natural resources and agents of production under the operation of our democratic economic institutions. The answer is, through the inherent right of all nations to apply the "right of eminent domain."

Two forms of property must be considered, the first the property of the individual which adds to his well-being, and the second all property of a non-personal nature which constitute the agents of production and distribution.

Ownership of private personal property would continue under the new system. This is the end purpose, in fact, of the entire economic order - *to give more and more, not less and less, to everyone*. Every

individual would be free to purchase his own home, his house furnishings, his automobile, television set, deep-freezer, and all other goods required for the comfort of himself and his family. The standard of living each would be able to attain would depend upon his efficiency as measured in terms of wages received under an economy of abundance with generous purchasing power. Such personal property would be differentiated from property which acts as an agent of production and distribution for the economy.

A word of discussion might be appropriate on this concept of ownership of property. The capitalistic theory of the sacredness of private property, promoted to protect the vested interests of the capitalists, is a myth. All over the world nations have practiced confiscation and liquidation - in Germany, in Russia, in England, and elsewhere, through programs of inflation, through taxation, through bankruptcy proceedings, through cancellation of issues of money, through devaluation of money, and other similar techniques. These measures, which aroused the emotions, often ended in wholesale assassinations.

The United States has been no exception. The capitalists themselves have swept across the land like a swarm of locusts, confiscating from the people their mines, their forests, their productive enterprises - wasting and destroying everything which they could not convert to their own use. Their inflationary tactics, deliberately planned, have wiped out over half the value of billions of dollars of war bonds purchased by the people as a patriotic gesture, adding up to ruthless confiscation. Hundreds of billions of dollars more

have been confiscated through remorseless taxation to support the foreign wars of capitalists - wars needed to prop up their tottering financial empire. It is inevitable, under Capitalism, that the tremendous public debt, national and local, which has reached the astronomical figures of some 1,000 billions of dollars, must be repudiated through inflation or outright cancellation.

We propose no such repudiation or confiscation. We propose to redeem the legitimate debt owed to the people at par. There are many ways that this might be done without violence. Outright purchase might be one way. The following is another way it might be done.

It will be remembered that approximately 5 per cent of the population owns or controls 95 per cent of the national wealth. This fact gives us a good starting point.

With this in mind, a ceiling could be established fixing a maximum amount of wealth which could be privately held, which would be high enough to include everyone in the 95% group who own little. The figure might be set at twenty-five thousand, or fifty thousand, or one hundred thousand dollars, or even higher, depending upon the sum found adequate to include all members of the 95% group.

Boards of appraisal would be established throughout the country under the supervision of the People's Banks. Each individual would appear before his local board and present his total assets - his savings accounts, insurance policies, stocks, bonds, mortgages, etc.

Acting in accordance with pre-determined policies, the boards would evaluate such assets, and in general would give them their face value, or their market value, or their paid-up value, as circumstances required. After the total value had been determined for each individual, that amount would be deposited to his credit in the People's Banks, up to the predetermined maximum ceiling, and thereafter would be subject to withdrawal for purchases of all goods and services, at the discretion of the individual. The National Planning Board would make adequate provision for production to meet this added purchasing power, to assure a balanced exchange.

When the work of the boards had been completed, the entire fabric of debt would merely be transferred from private bookkeeping systems to the books of the People's Banks, but the debt itself would disappear as such, and only the credit would remain. In this way the entire debt structure of the 95% group would be liquidated *and redeemed at par.*

The 5 per cent group of the wealthy would constitute a special problem. We must avoid a spirit of vindictiveness, should try to retain the services of those patriotic enough to cooperate with the new program, and must strive for justice for these as we have for the "little people."

Various inducements could be applied to meet this situation. Members of this group would receive, first of all, the ceiling amount already established which might be adequate to meet their normal economic needs. In addition they might be pensioned off at a rate to provide the same standard of existence to

which they had been accustomed, and for the remainder of their lives. Our economy could carry this load. This would be only a short generation. The burden upon society of carrying these individuals would be insignificant as compared with the burden of continuing this group in power as at present.

Furthermore, as an inducement to the more enlightened among these to cooperate in the program, they might be assured of a continuance in their positions of authority (where actively engaged in productive effort and not as absentee landlords), for the period of transition, and then placed on the eligibility lists for election to such positions permanently at the will of the membership of the cooperative of that occupation or industry.

The question arises, will these individuals cooperate? If they are wise they will. If our economy continues along its present path toward destruction, and adjustment finally comes about through violence, they will suffer the same fate as that endured by those throughout the ages who have fought for the maintenance of their special positions under a disintegrating "status quo." If we end up in an atomic war - the direction in which we are now heading rapidly - their industries, and they themselves, will suffer annihilation along with the rest of us. Thus, they would have everything to gain and nothing to lose by cooperating in a program of non-violent adjustment to the economic facts of life. If they refused to cooperate for the good of society they must stand aside. The adjustment to a changing world must go on, and an insignificant minority cannot be permitted to become ob-

stacles to a new era of peace and abundance. If adjustment to a new order is risked through violence, when emotions are aroused, they could expect no such favorable terms as this. It is admitted that they would be more likely than not to follow the historic example of the Bourbons at the time of the French Revolution, and prefer to resist change. But much history has been made since those days, and today the people are "sovereign" in the United States, and it is the people who will make the decisions, not a handful of economic Bourbons.

After the financial arrangements suggested above have been made, the remainder of the holdings of the 5 per cent group would revert to the control of the people through the right of "eminent domain." This would not constitute "government ownership" as advocated by socialist groups, but "popular ownership and use," as we own and use national forests and parks, or the national postal service, or public schools, or public utilities.

All of the above, of course, evades the real issue - the problem of *power*. The primary significance of the wealth of this minority group is the power they wield through control over wealth, rather than the luxuries which they are able to purchase. It is this *power* which belongs to the people and which they have usurped with the connivance of greedy politicians, which constitutes a dire threat to the welfare of the people and to our democratic institutions. It is *power* which they grasp so fiercely and for which they will fight to the death. It is this *power*, misplaced in their hands, which must be destroyed, and restored to the "sovereign people."

The establishment of new techniques for the extension of democracy into the economic field will perform this necessary operation, painlessly, non-violently, and will at one stroke sweep aside the forces of fascism which now threaten us. We will have cured our economic disease at its roots, and the outward symptoms of internal and international violence and exploitation will soon disappear.

CHAPTER TWENTY-THREE

How Will It Work?

If we have, in fact, prepared a practical design for the production and distribution of abundance, designed for *use* instead of for profit, and "to promote the general welfare" - if we have at the same time preserved and extended into the economic field the basic principles of democracy and human liberty written into our Charters of Freedom - if we have established sound operational procedures to accomplish these ends, the program should be generally applicable to all areas of our economy and our society. Let us test a few, remembering always that we are dealing with a problem in its broader application, and must leave countless details to be filled in, through democratic processes, by those on the job who are technically qualified to do so.

Agriculture:

We may as well start with the most difficult, the special problem of agriculture.

First, as to general policies. The enforced establishment of large collectives, in the manner of the Russian system, is not contemplated. Even though increased efficiency might result therefrom, the sacrifice of the independent farmer would be far too great a price to pay. We are still concerned with human values. In view of the industry's capacity to produce more, even now, than we are able to consume, we are under no compulsion to accept the destruction of the independent farmer. Neither is our system so inflexible as to require such action.

As a matter of fact, since agriculture formed the basis of our earliest territorial, democratic organization, functioning through the New England Town Meetings, it still lends itself particularly well to reorganization under an economic democracy, and few changes need to be made in existing procedures.

The Secretary of Agriculture, as an *elected* member of the Cabinet, or National Planning Board, would be chiefly responsible for preparing the plan of production for agriculture, with the advice of the best minds in all the echelons of planning, from bottom to top, and as coordinated with other members of the Cabinet. He would be responsible to the farmers themselves, and not to a political Chief Executive elected with the connivance of Big Money, or to a political party.

When approved, the plan for agriculture would be

passed down through state officials responsible for coordination of the program, where the details would be further decentralized to determine the share to be produced in each locality. The quota of each county, or township, would then be arranged, and production supervised and coordinated by the local representatives of the industry. All of these essentials of such planning are already in operation, but under bureaucratic, rather than democratic, control.

The supervisors of production would be elected by the farmers locally. In each locality are certain farmers who are the natural leaders in the community, who know the potential of every acre in the community, whose abilities and opinions are respected, and whose honesty is beyond question. They would become the local supervisors of agriculture for the community. Their duties would be largely advisory, and would not require the detailed attention demanded in a highly integrated technical industry, since actual production by each farmer can be determined more readily than it can for employees in technical industries.

Each farmer would own his own farm as at present, unless he voluntarily relinquished it. Since production would be the ultimate goal of the industry, his salary would be determined by his standard of production for any period which might be agreed upon - the preceding year, or the average of the best five years, or some similar determination. Since we will be working in an environment of abundance, not scarcities, it would be possible to give every farmer the highest rate he has received in the past, with an addition of from 25 to 50 per cent as a "bonus" as soon as the program begins to function.

Quality as well as quantity of production, and not selling price, would govern the income of the farmer. Bad years and "Acts of God" would be disregarded.

Once established in the income bracket, each farmer would be re-rated upward or downward according to his efficiency, by his elected supervisors, as other workers would be, to prevent him from becoming lax in his efforts. The size of the farm, with consequent increase in responsibility, would also be a factor in determining income.

Salaries would be provided through the operation of the program of distributing purchasing power, and not through the sale of the crops produced. Crops would be turned over to the national food processing cooperative or the national distributing cooperative on requisition. Each farmer would continue to consume such part of his crops as was needed by his family, as at present.

Hours of labor would be shortened to conform to those of other cooperatives. The National Employment Cooperative would provide additional workers, all receiving their purchasing power directly through the operation of the program, and not from the farmer, and all being provided comfortable homes by the housing cooperative, to assist the farmer and permit the reduction of hours of labor for all agricultural workers to agree with those of other industries.

The farmer would, in effect, become an *owner-manager* in his own right, receiving higher income, increased prestige, shorter working hours, and the privilege of cooperating with his neighbors for the general welfare. The supervision imposed would be

far less than he must now endure at the hands of the Washington bureaucrats. The increase in opportunity in rural employment, with shorter hours of work, adequate housing, and an outdoor life, should encourage a movement from the cities back to the country, with consequent increase in the independence and well-being of the rural workers.

It will thus be seen that no revolutionary change in the agricultural industry is intended, except in the direction of greatly improved living conditions. All that would be expected of the farmer would be honest production to assure that the rest of the population be fed. His age-old insecurities would be removed. The basic industry of civilization would finally be established on a respected, secure, mortgageless status of equality with other industries, and be permitted to function under its own democratic control.

Small Business:

The same arrangements that have been applied to the farmer can be applied equally well to the small business man. In this field the economic trend is definitely in the direction of greater and greater consolidation for the sake of efficiency. But some small businesses do not lend themselves to consolidation. Most of them suffer severe handicaps as the process of consolidation goes forward.

Again we are in the favorable position of being able to start with what we have. We could apply the same limited, democratic supervision, permit local small businesses to establish their own cooperatives, provide purchasing power at higher levels

through the distribution of income under the plan than they now receive through profits, provide additional employees paid by the system rather than by the employer, and transform the present small business man into an *owner-manager*, as was done for the farmer, and permit him to continue to operate his business for the good of the community. The uncertainties of compensation through profits would be removed, and nothing more. Instead of being "regimented" by governmental regulations received from above, he would be an independent, economically secure member of the community, cooperating for the good of all.

It must be recognized, however, and even by many small business men themselves, that thousands of small, competing, inefficient retail stores are little better than parasites upon the economic body. We are all familiar with the fact that under the profits economy hundreds of thousands of small retail distributors endeavor to squeeze out a meager existence by acting as middlemen. The duplication and waste in such a system is tremendous. The bulk of these perform no useful function in the national economy. The services they render could be better accomplished in other ways. The trend toward the chain store distribution is evidence of the inefficiency of the small retailer. By establishing modern retail distribution centers in each locality, in which present small businesses may share, we can increase efficiency, give better service, reduce hours of labor and increase income.

Motor:

The motor industry can be discussed as typical of mass production industries.

Within the established design, and under the supervision of technologists who are experts in the field, all plants would be consolidated, work apportioned to each, and production continued under the over-all plan and under democratic controls. Car types would be reduced in number and standardized. Improvements in design, now held off the market in anticipation of future competition, would be placed into production, and the best cars that the inventive genius of the industry could devise would be built. Cars would be produced for indefinite service and not for frequent turn-over by means of high-pressure bally-hoo, to create larger profits for the owners. The urge for "keeping up with the Jones'" which has been propagandized into a national vice to stimulate purchases, and thus profits, would disappear, with consequent saving in labor, natural resources and the resources and energies of the individual.

Each worker, be it remembered, from the highest executive to the lowest mechanic, would continue, initially, on the same job as at present. Real wages would be nearly double. Instead of being hounded by "bosses" in the chain of industrial command, by labor leaders who carry on civil war with employers for a share of the spoils of war and who are always under a temptation to sell out, the workers would act cooperatively and democratically to select their own "management", and would no longer be ground between the upper and nether millstones.

Transportation:

The national transportation system is another of the major industries which need stream-lining. Com-

petition and duplications between water, rail, air and motor systems require adjusting for the sake of efficiency and economy.

Under the direction of its own elected leaders, the national transportation system would be organized and coordinated. Various means of transportation would no longer compete with one another, but would be so interrelated that each would supplement the other, and would cover its own field where it could be most effective.

Through such simplification and coordination, duplication would be eliminated, waste would be prevented, and hours of labor would be reduced. As is true of the motor industry, and in all other industries as well, under an economy of abundance the real income of the workers should be practically doubled. In addition they would achieve a new freedom through democratic control of the industry they occupy, and would acquire a sense of individual importance which was present under the Medieval Guilds, but which is absent in capitalistic industry.

Building:

The building industry is another typical example of what might be achieved under the new design. It would be responsible for all construction - factories, public buildings, homes, schools, roads. With the incentive of profits removed, the entire industry could be rationalized and simplified, with consequent saving of present waste of materials and man-power. Factories would be decentralized into suburban communities in surroundings of beauty, abundant labor would be

provided to reduce hours of work, slums would disappear, thousands of cheap, dismal stores would be torn down and replaced with large, modern, cheerful, air-conditioned stores. Comfortable homes for all workers, designed by inspired architects (not dismal "tracts" now sold to veterans and others by the real estate lobby), would be built in suburban parks. Wide highways and transportation systems would be built from coast to coast and from border to border. These roads could readily be parkways, lined with trees, flowers and shrubs, planted by the youth of the land. Workers would find inspiration in the knowledge that each factory, store, home and highway built by their efforts would be for the benefit of all, and not for the personal gain of a few greedy individuals.

Economic Gains:

It is not necessary to discuss other industries in detail. The above discussion outlines the general application of the program, which must necessarily be modified in various particulars to permit special application to each industry. It is not intimated that all of the above must be completed at one stroke. Years of planning and hard work would be required to place the broad program fully into operation. Through long-range planning and judicious allotment of abundant materials and labor to the various industries, every basic economic need could soon be filled.

Taxation:

Under the proposed design, existing concepts of taxation would disappear. At the present time we exist under *two* economic orders, the first the rigid controls

of the capitalist system with its profits incentives, and the second the public works and utilities economy necessary to provide facilities for public welfare. The second is financed indirectly through taxation. Capitalism has no social consciousness, and can assume no responsibility for the welfare of the people. Because the people must have schools, police protection, facilities for health, national defense, etc., it becomes necessary for government at all levels to finance these projects indirectly through taxing workers employed under the capitalistic system.

Under the proposed system, since capitalistic enterprises would cease to exist, these necessary social purposes would be included under the general plan. As a matter of fact, every cooperative would become, in effect, a "public utility" serving the needs of society. Present public works and public utilities would become merged as cooperatives under the design, exactly as in other industries, supplies would be made available through the operation of the program, employees would receive their salaries through the apportionment of purchasing power, and the need for taxation would disappear.

It has been said that nothing is certain but death and taxes. We can, through these measures, eliminate taxes. Although we cannot eliminate death, we can, at least, assure a material extension of the years of living once people are freed from the apprehensions of capitalistic insecurities.

The problem of *how to make a living* has been solved. Through intelligent, democratic application of science and technology, directed toward promoting the

general welfare, hours and years of labor would be so reduced that our major problem would be what to do with our leisure - *how to live!*

CHAPTER TWENTY-FOUR

How To Live - Social Gains

MAN does not live by bread alone." Merely to assure a doubling of the material income of the people of the United States would solve few problems. In the Army it was a well-recognized fact that every promotion which carried an increase in pay often meant nothing more than a change from the cheaper brands of whiskey to the better brands. This is one way of measuring social gains, but it is hardly the answer we are seeking.

But material security *could* become a means to higher ends. From the material point of view, in a highly technical economy with maximum use made of every scientific and technological improvement, hours of labor would tend toward zero. A thirty, or twenty-five, or even a twenty hour week could easily be a-

chieved. *Our greatest challenge would be to make intelligent use of the leisure thus provided.* This leisure, founded on an economy of abundance, would make possible, and necessary, vast social improvements. A few of the more important need merely to be outlined to suggest what might be accomplished.

Medical care:

First in importance would be the establishment of a national system of health and medical care, hospitalization and sanitation.

The antagonism of the medical profession against so-called "socialized medicine" results properly from fear of bureaucratic governmental control, coupled with problems of survival in a highly competitive environment. If the problem of national health and medical care is placed in the hands of the medical profession itself (*not* the American Medical Association and other medical and drug monopolies, but of all of the healing arts), operating under their own democratic controls, this fear would disappear.

The medical professions would be organized into their own cooperatives, their members paid adequate salaries through the system of distribution of purchasing power, and not through medical fees, and with their economic securities assured at higher levels than can be expected under the present economic order, these professional people would be free to devote their best efforts to their professional duties.

Every individual would have access to health services "for free" as he would have to public education, thus assuring a strong, healthy nation.

Large, well-equipped general hospitals would be established for the care of serious cases, "blanketing-in" existing hospital facilities. Using these hospitals as bases, special staff medical men and nurses would attend less serious cases in their homes.

Special attention would be given to dietary techniques, to preventive medicines and treatments - to prevent the diseases before they get started and not wait until they were running their full course.

The horrors of existing mental institutions would be eliminated and mental conditions corrected at their sources. The removal of the sense of economic insecurity would be one of the best means of preventing insanity.

A corps of sanitary inspectors would be formed to eliminate the causes of infection and disease.

By these, and other related measures, many of them at present inadequately developed, the problem of health on a nation-wide basis could readily be solved.

"Social Security:"

The best social security would be complete economic security, provided by the economic design. Insurance policies would be of value only as museum pieces, since all of the insecurities for which policies are now drawn would be eliminated through the operation of the design. Those who could work would always have work at high salary rates. Their education would be provided for in the days of their youth. Their later years would be spent in comfort and security and achievement. Those who could not work - widows with

children, orphans, the aged, sick and disabled - would be provided for, without humiliation, as one of the responsibilities of society. The hated word "charity" would disappear from our vocabulary. Those who *would not* work, in a land of abundant work, would probably require medical or psychiatric care. The hobo would still have the privilege of being a hobo, but few kitchen doors would open to him.

The Arts:

Through the gift of leisure we would find other means of enriching our lives. There would be opportunity for everyone to study literature, music, art. No longer need our "mute, inglorious Miltos" wither in obscurity, for everyone would have leisure to develop his talents and to present the results to his fellow-men. We would be well on the way to a new intellectual and artistic renaissance.

Athletics:

Nor would we neglect to build sound bodies. There is much vulgarity and waste in the spectacle of thousands of men shouting at professional athletes in an arena, while their own bodies shrivel and die. Let them get out of the bleachers and off the benches, and participate themselves. We have an unlimited field open to us to parallel the system of intramural athletics already established in colleges, which gives every man an opportunity to participate in some form of athletics. The cooperative organizations would be of great value in stimulating inter-organizational competitions. We could revive the Greek Games, and having already provided for health, build a new race of men and women.

Emancipation of Women:

In the competitive society of Capitalism where the greatest scarcity is the scarcity of work, women are among the last (along with Negroes), to be given jobs, and the first to lose them - unless they are used to throw out of employment some man who might demand higher wages. Under our design for economic democracy they would be welcomed to the ranks of the co-operatives, at the same rates of income, as the men. The more workers, the less work for each, the more leisure. Here would be, indeed, economic emancipation of the first order.

Social Influences of Cooperatives:

The cooperatives would become the centers of social and cultural, as well as of economic activities. They would furnish convenient organizations through which welfare or artistic projects, - amusements, motion pictures, little theaters, orchestras, athletics, etc., might be activated. An *esprit de corps* would be nourished within such organizations. The individual would find opportunities for the expression of his personality, for personal achievement, and for participation in the growth of a community spirit, in cooperation with other members.

Religion:

Care would be taken not to disturb freedom of religion as guaranteed by our Constitution. Church and State would remain separated, with the clergy as non-members of the cooperatives, and sustained by their own members. However, in a world of larger prosperity the clergy would no longer need to go among their

membership with hat in hand, begging for a few dollars, but would share in the general abundance, and be free to devote their time to their religious duties. It is suggested that they might eliminate from their prayers and from semi-religious activities, that bulk which derives from economic insecurities, and that they might thus find time to give thanks that at last their prayers have been answered, and that at last humanity has found the intelligence to use the abundance so freely given.

All of the many social benefits which we might tabulate, derive from the central economic fact: "*economic emancipation*" - emancipation from the galling shackles of an immoral, unrighteous, mammonistic, blasphemous, decrepit, outworn, criminal, anti-social, anti-American system of usury.

Given this first emancipation, *intellectual* and *spiritual* emancipation should automatically follow. Sadly enough, we shall probably never achieve the first except through a new realization of things of the spirit, for only through spiritual understanding, and of love by man of his fellow-man, can the proposed practical solution be achieved.

CHAPTER TWENTY-FIVE

A Few Conclusions

It is frequently the practice of writers and reformers to present a premise or two which may or may not be valid, and then draw a host of conclusions constituting very Utopia, which may or may not follow from these flimsy premises. With due regard for the dangers of drawing unwarranted conclusions from weak premises let us, at least, allow ourselves a few final generalizations.

It is submitted that in these few pages are summarized: (1) an analysis of the causes of national and world crisis, and (2) an outline for a new design for economic reconstruction, to solve the problem of *distribution of abundance* on a democratic, functional, and operational level, and directed toward production for *use*. While borrowing from others, claim is made

that this design constitutes in its administrative features, *a new concept of democracy in action, in the economic field.*

If we profess to have confidence in the capability of the people to rule their own lives in the *political* field, we must concede that they are equally capable of ruling their own lives in the more vital *economic* field in which they, live, and move, and have their being. If we reject the latter, we convict ourselves of hypocrisy if we profess the former. The two are inseparable.

The end result of our study has been to establish an administrative structure of democratic economic control by the "sovereign people," in our highly-integrated society.

The magnitude of the problem may seem to the untrained as an overly-ambitious undertaking. This is more apparent than real. Mere size is no obstacle if the underlying principles are sound. It would seem that we have attempted to grasp an entire economic order and social order in its entirety and at one moment, and have tried to recreate out of it a new order in a few sweeping gestures. Actually, we have been working with well known factors, and with all of the elements of our design already in operation. The proposed *design for abundance* works within the dynamics of current trends, not against them. By isolating the several elements of the problem, decentralizing their solutions into the hands of those who are familiar with them and who are already functioning in each area, and then bringing the several elements together as a

coordinated whole, the design, in effect, produces itself.

To show the relative simplicity of creating the new design, we may compare it with the problem of administration of the Armed Services of the United States. This constitutes the world's largest single - and most complex - industry. It operates globally. It is fluid, and in constant motion as to its elements and individual components. It is engaged in housing, feeding, supplying, transporting, training, fighting and administering this colossal complex. It cannot act arbitrary, but must still maintain complex relations with the total national economy, with our political order, and with the people. It functions under an abnormal environment, in sweeping contrast with the natural environment from which it draws its personnel and supplies, and with which it must maintain coordinated relationships. Its system of control from the top down, contrary to general opinion, tends to "bottle-necks" and inefficiencies, rather than to swift, efficient action.

Under the proposed design for economic democracy, on the other hand, elements and individuals function in a normal environment; no single industry or element is as large or as complex as the military; the environment is fixed, not fluid; the proposed techniques of control, economic as well as political, are well understood. Nothing new or strange has been introduced. Decentralization of control, with power at the bottom at the broad base of the people, should assure greater flexibility and efficiency.

We are needlessly overawed by the magnitude of the problem. Suppose we attempted to make a similar functional design for the *existing* order. Many books, and not one small one backed up by one small chart, would be required to present an adequate picture.

No two writers would be likely to agree even as to the definition of the functional elements of the system. Their purpose in the past has been to conceal, not to reveal.

Interrelationships and conflicts between the *de jure* political government and the *de facto* "Invisible Government" of the Money Monopolists must be delineated.

Political "regimentation" and conflicts to advance the profits incentive would need to be shown, including the vast taxation structure, local and national, designed to promote "profits-through-taxation."

Economic "regimentation" and conflicts to maintain the economy (farmers, labor unions, unemployed, etc.) must be included.

Conflicts between the several major industries and between major industries and "small business," as part of the operational dynamics of the profits incentive, must be represented.

International conflicts, manifested in their more violent forms in international wars, must be introduced structurally as part of the dynamics of the system.

The "headless horseman" concept of control must be clarified.

This is, indeed, no *system*, but complete lack of system, which no single organizational chart could possibly portray. Such a chart, even if drawn, would constitute a "Blueprint for Scarcity and Violence," not of abundance and cooperation.

This *existing* order is a state of social and economic chaos - of anarchy. We challenge any ambitious worshipper of the status quo to reduce it to a functional chart.

This *existing* order is a society of violence - psychological and physical - against our own people and against the peoples of the world.

If we cannot develop a better design than that which *exists*, and do it blindfolded, we deserve to suffer the pains of economic and social disintegration which now threaten us.

Our *design for abundance* should solve the problem of the ISMS.

For several decades people of peace have demanded positive, peaceful alternatives to check the spread of Communism. A sound design for economic reconstruction for the United States, which would solve the pressing economic problem demanding attention on our own doorstep, constitutes the only means by which Communism can be "contained." The answer can never be found through extension of world violence leading to the atom bomb, but only by proposals for a design better than Communism - a design founded on good will and cooperation, which would draw the peoples of the world together in peace and harmony.

Seldom have similar demands been made for programs to "contain" the other three ISMS - Monopolism, Vaticanism, and Militarism - the three partners in crime of Fascism.

It eliminates capitalistic Monopolism completely, which is, at last, decently buried.

It checks Vaticanism to the degree that it denies financial strength, drawn from our economy, to support this foreign ideology, and denies the use of our armed forces and of our industries to promote its imperialistic wars.

It eliminates the threat of Militarism, for such armed forces as might be necessary would operate as democratically as any other element of our economy (and, it is contended, operate more efficiently than they do at present under their despotic techniques, which lead to the self-perpetuation of mediocracies), but primarily because in the new climate of international cooperation and good will, armaments would be reduced progressively to the vanishing point. No single nation could plow ahead on a program of international expansion and violence, in opposition to the desires of the people of the world, and of its own people, for peace, in the face of the clear fact that peaceful alternatives would then be available.

But admitting that all of the favorable results claimed would flow automatically from the establishment of this new *design for abundance*, we are brought face to face once more with our familiar \$64 question: "How are you going to do it?" How could such a system be put into effect in the United States in the face

of objections of the forces of repression which now dominate our society?

Regarded objectively and historically we might well conclude forthwith that the problem is beyond solution, and that all of this discussion has as little meaning as to shout down a rainbarrel to hear the echoes of our own voices return to us. Every trend observable in the country is definitely in the direction of rapid disintegration. The forces of repression, of the status quo, are rampant. No force is observable on the political, economic or spiritual horizons adequate to meet the situation and turn back historical trends in the short time remaining to us.

Almost without exception the forces opposed to the status quo are sitting on the side lines hoping and watching for the big explosion which will carry it to its destruction, expecting that out of such chaos they may emerge as the saviors of humanity. If trends already in rapid motion take their historical course these interested spectators will soon have their highest hopes realized. It is extremely unlikely, however, that out of the ensuing confusion and chaos any good can come either to them or to our country.

The key to our situation is the problem of communication - of information - of access to the truth.

This is the "road block," the "bottle neck" which will be responsible for the fall of our civilization, if it does fall, as seems likely. With access to the means of communication it is still possible for us to save ourselves. Without access to means of communication we are a doomed people.

Politicians, educators, religious leaders, newspapers, radio and television have come under such complete domination of the Money Monopolists that even though they might know the facts, they would never dare permit them to become known. The principle of freedom of speech and of press implies access to the instruments of dissemination of information. Sound decisions cannot be made by the people without such information. These freedoms have been most effectively "contained" by the forces of the status quo, as preliminary to the "containment" of any idea which might challenge their power.

It may be predicted that the forces of repression, before they would admit final defeat, would throw their full power behind a drive to establish a rigid fascist-police state within the United States, using the concentration camps which they have already prepared to isolate non-conformists, using the armed forces of the nation to smother the last spark of American liberalism, and operating the national economy, as they have in the past operated the coal mines, "by command."

These are the negative factors. They are balanced, in part at least, by positive factors which, weak as they may seem, still constitute our last small hope for intelligent action.

First of all, reliance must still be placed upon the "sovereign people" themselves. Silenced though they may be for the moment, this age, too, must have its quota of inspired patriots of the caliber of Thomas Paine, George Washington, Thomas Jefferson and Patrick Henry, Abraham Lincoln, and the many more spiritual "giants" who labored to lay the foundations for

our American democracy, as they would labor with as much inspiration to preserve it.

We must assume that the instinct of self-preservation, of survival, is as potent with groups as with individuals, and that when the issue is at last squarely before their eyes of "survive or perish" - "root hog, or die," the American people will act for common survival and for the survival of our institutions.

It is becoming increasingly clear to the people themselves, and in spite of all of the false propaganda of the forces of reaction, that we no longer have a choice between Capitalism and something else, that we *must* choose something else, and that that "something else" need not be Communism. The least informed man on the streets agrees that "something must be done."

It would be entirely understandable if the people were induced to accept willingly any design which would require them to adjust psychologically to "austerity programs" - to an economy of less and less. For long years they have been conditioned to this psychology, and have demonstrated in two world wars, a Korean War, and numerous "panics," "depressions" and "recessions" that they can be counted on to sacrifice their all, even to the lives of their sons, on the altar of an outmoded economy of scarcities.

But, on the other hand, they have learned a lot. They have seen with their own eyes and of their own experience that *abundance* is an historic fact. If abundance can be created for international wars it can be created for peace. It should be reasonable to sup-

pose that they might be willing to adjust psychologically to an economy of more and more, which is in harmony with their own understanding and experience. Psychologically, they are ripe - and over-ripe for an historic change.

It is for this reason that the Monopolists are probably the most frightened group in the United States today. In 1933 they saw that the game was up, and ran up the white flag of surrender, as many of them prepared to take their departure to safer lands. Franklin D. Roosevelt saved them by saving their system, in its very moment of *rigor mortis*. Another such crisis of economic fever is rapidly approaching, which the soothing syrup of another W.P.A. cannot alleviate, and once more they will commence to shout for help. These are intelligent men, who are not necessarily deceived by their own propaganda, who have access to information denied the American people, and who already see clearly the abyss toward which we are marching. Many may be expected to act from fear to accept an economic change founded on truth. Many others should be patriotic men who have regard for truth - men of the caliber of Marquis Lafayette of France who left his own kind and threw in his lot with the people because he knew that a dead past must bury its dead. These latter should be counted on to rally to the people.

Likewise, among the political leaders are many who have seen at first hand the evidence of progress toward ruin, who still yield loyalty to the Constitution and to the people.

Many of our educators, our scientists, our tech-

nologists, who have been trapped as the victims of a waning "dark ages," have been forced to prostitute their science and their integrity to our system of exploitation. They are awaiting a call of freedom and unity, to solve our problems through reason and intelligence rather than through violent emotions.

Many of our religious leaders are still free from the taint of Mammonism, and would welcome the opportunity to assist in the establishment of a righteous economy - of a "life more abundant."

At any moment the last chips may be down; the last hand of cards dealt around the board; the stakes the rise or fall of our civilization.

If we have faith in our country, in our fellow-men, in ourselves, we must still believe that at the final moment, out of the intelligent "liberated" groups within our society will emerge those who are able to regard the issues objectively and courageously, who will search for, and find, a practical solution, and who will unite to carry such a program to the people.

It has been said by a callous, unenlightened politician that the people are "too fat and lazy" to have a regard for good government - "fat and lazy," incidentally, on an unconstitutional war which he, himself, created. But as the process of economic degeneration proceeds there will be less "fatness" and "laziness" at the expense of the exploitation of others, and once more the sufferings and terrors of a Great Depression will be upon us. Then the people will demand action, or will - in the historic precedent - take matters into their own hands. It may not be pos-

sible, another time, to scatter them in our forests as was done under the Civilian Conservation Corps, to remove them as threats from the streets of our cities.

In that critical hour, when they move, they will be irresistible and will, if they demand, at last acquire access to the means of communication through which the economic facts of life may be brought home to them.

In that critical hour, also, those who dominate our policies, if they value their lives, must have ready a positive solution. It will be too late then to begin to think our way out of our dilemmas. They had better begin to think *today*, for tomorrow may be too late.

This design for *abundance*, this Blueprint for an ECONOMIC DEMOCRACY, is offered as a convenient starting point for intelligent, non-violent adjustment to the economic facts. It can be accepted, or rejected, or modified as study may indicate necessary. No final plan can be expected to burst, full-blown, from a single mind, nor would it be wise to accept the views of but one individual. Society has a stake in the problem, and many minds must cooperate to develop the final design. Only through such a positive program of action can these critical issues be raised to higher levels and canalized into creative channels, where violence can be forgotten.

In the final analysis, and as a small crumb of comfort, we as individuals of imagination and understanding, should deem it a privilege to be participants in the greatest tragic drama of the history of the world -

stand the historic plot - to be able, even to anticipate the final curtain. Previews of the drama have been presented many times, with illustrations from actual historical events in the past, so that if any character fumbles his lines many in the audience can prompt him and call his cue. From time to time it may even be our lot to carry a spear across the stage, or shout in the chorus.

As the plot unfolds toward the final curtain, loving the characters, we can but sit in the stalls and pray fervently that a Divine Providence may - even as the play draws to a close - rewrite the final act to permit it to end happily, instead of as stark and stupid tragedy; that the age of materialism and of national and world violence may come to an end; that a righteous economy of peace, democracy and abundance may emerge at last; that the United States may finally emerge, like the Phoenix Bird, from the ashes of its dead self, to regeneration and to new heights of achievement; and that the Great American Dream of our Founding Fathers may be fulfilled.

“So mought it be.”

THE END

GENERAL MEMBERSHIP APPLICATION

NATIONAL ASSOCIATION OF HOLDRIDGE PLAN CLUBS
P.O. Box 805, La Puente, California

DATE _____

I herewith make application for membership in the HOLDRIDGE PLAN CLUBS. It is understood that I assume no obligation whatsoever other than to support and defend the Constitution of the United States of America.

NAME _____ PHONE _____

ADDRESS _____

CITY _____ ZONE _____ STATE _____

I am interested in local club membership only

I want to organize a club in my community

I want to organize a club in my community and serve as Executive Secretary

I want to organize clubs in my county and serve as Area Supervisor

I want to organize HOLDRIDGE PLAN CLUBS in my state and serve as State Governor

I want to organize HOLDRIDGE PLAN CLUBS in several states and serve as Regional Director and member of the Provisional Cabinet

I want to volunteer my services in any capacity that you might feel I can help the CAUSE

It is further understood that books, courses, pamphlets and all other published material concerning the HOLDRIDGE PLAN CLUBS can only be obtained through the Executive Secretary of the Local Clubs. All inquiries will be directed to the area in which I have my residence.

I enclose \$ _____ for _____ copies of "HOW TO GAIN FREEDOM FROM ECONOMIC SLAVERY" at \$1.95 per copy, as an individual transaction apart from Holdridge Plan Clubs.

Signed _____

Accepted By _____ Date _____

**CONSTITUTIONAL PROVISIONAL GOVERNMENT
OF THE UNITED STATES
P. O. Box 5507, Sherman Oaks, Calif.**

ESTABLISHMENT OF HOLDRIDGE PLAN CLUBS

Purposes of The Holdridge Plan Clubs

- 1) To RESTORE and DEFEND, the principles of Freedom established by the Declaration of Independence and the Constitution of the United States.
- 2) To bring the economy of the United States under the protection of the Constitution.
- 3) To establish, under the Constitution, a cooperative society of, by and for the people, to displace the existing society of, by and for those who have betrayed their loyalties to the Constitution.
- 4) To establish *economic* emancipation as a foundation upon which *spiritual* and *intellectual* emancipation can grow.
- 5) To establish a debtless, mortgageless, taxless, cooperative economy, democratically controlled by the "sovereign people," under the Constitutional principle of *decentralization* of authority.
- 6) To organize, under the instrumentality of the Constitutional Provisional Government of the United States, and the *Holdridge Plan Clubs*, as training centers for teaching Constitutional principles under which the program is to be consummated.
- 7) To instill in the membership of the Clubs a restored sense of loyalty to our maligned "American" institutions, a fearless determination to fight for these principles, and to assure intelligent, cooperative *action* should the machinations of those who have betrayed their oaths of office get out of hand.
- 8) To recruit from these clubs, dedicated, competent, patriotic leadership to replace those who have yielded to sedition in public office.
- 9) To function, and teach, within the Clubs the principles enunciated in the book, "*How To Gain Freedom From Economic Slavery*," as the practical, positive answer to internal and international forces which would undermine our society.
- 10) Upon the firm foundations of the constitutional government thus reconstructed (political, economic and social), to assume leadership internationally for total disarmament, world peace, and world cooperation, to remove the terrors of an H-bomb holocaust into which we are now being plunged by policies instituted by ignorant persons in public office.

**Herbert C. Holdridge
Brigadier General, U.S. Army (Retired)
ADMINISTRATOR**

Executive Order No. 5

Continued from Back Cover

During World War II he achieved distinction for streamlining and modernizing the administrative system of the Army, which was 100 years behind the times, and introduced new techniques of business and personnel management. He established the Adjutant General's School, Fort Washington, Maryland, and its 19 branches located at colleges and universities, the largest administrative school in the history of the world, operating under cooperative, democratic principles new in the history of armies. Although he regretted that he was never given the opportunity to serve on any battlefield, he is now grateful that he has never been called upon to fire a shot at any fellow-being.

General Holdridge's interest in social sciences dates from his Cadet days. He returned to West Point as an instructor in social sciences, and later as Assistant Professor in charge of the Department of History. He also taught History briefly at Columbia University. His educational and military career gave him a broad background of History, Economics, Military and Constitutional Law, World Governments, business and personnel management, and executive functions at highest level. In 1929 he received an MA Degree from Columbia University in Social Sciences, and during World War II received two Doctor of Laws degrees, one from American University, Washington, D.C., and the other from Grinnell College, Grinnell, Iowa, for his accomplishments in administration and social sciences.

After his retirement in 1944 in the rank of brigadier general, he was free to devote his full time to his major interest—human welfare. He has concentrated his efforts to sustain and expand the principles of liberty written into our Declaration of Independence and the Bill of Rights of our Constitution, which he regards with patriotic fervor.

General Holdridge advocates total disarmament, total abundance in an economy freed from war psychosis, and restoration of constitutional liberties. He strives for the brotherhood of man in a world at peace.





ABOUT THE AUTHOR

Herbert C. Holdridge was born in Wyandotte, Michigan, March 6, 1892. At the age of 6 his parents moved to Mississippi, then returned to Detroit, later to a farm near Pontiac. At the age of 13 he was forced to leave school before completing the 8th grade, and worked as a farm hand.

At the age of 19, distressed by the lack of education, he determined to enter West Point, an accomplishment almost impossible of achievement under the conditions. Largely by self-study, and by hard work, he succeeded in passing the examinations and entered in 1913. He graduated in 1917.

His military career took him into the Cavalry, the Quartermaster Corps, and the Adjutant General's Department (the Army administrative corps), and to stations throughout the United States and foreign countries, generally at higher headquarters under outstanding general officers. He graduated from the Command and General Staff School at Fort Leavenworth, and was carried on the General Staff eligible list.

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